

YES CILN

17 MAR 1975

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Observations About the CIA Management Committee

I honestly feel that I have gone about as far as I can go in analyzing the CIA Management Committee, and I offer the following candid comments which may overlap or complement what has already been stated:

a. Staff Work

The minutes of 16 May 1973 relating to the Executive Director-Comptroller functions reflect that Director Schlesinger explained his disappointment with the quality of staff work in the previous two weeks and he went on to observe that it might be a good idea to have an Executive Officer at the EP-5 level in the interim period between his probable departure for Secretary of Defense and Mr. Colby's assumption of Director of Central Intelligence. A brief discussion followed on different ways to anticipate problems and foment the necessary staff work. I mention this because this problem was apparently recognized by Dr. Schlesinger two years ago, but I don't think the Agency has come up with a solution.

b. Chief of Staff

Related to the above and continuing the theme, much has been said about the role of Colonel White, rumblings continued throughout 1974 on the need for an Executive Director; and the Office of Training paper touches on this issue. In effect, the CIA Management Committee has been an inadequate replacement for the Chief of Staff--but it was never intended as a substitute. My point is that there may be a need for a strong, forceful, no-nonsense, take-charge type Executive Officer, such

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as you were in DD/S&T, rather than the types or level reflected in Messrs. Ben Evans, [redacted]

[redacted]. I don't see a strong right arm to the Director in the DCI complex, and possibly the role currently being played by Mr. Hank Knoche should be part of the permanent structure.

c. ADD Group

I do have the feeling that the CIA Management Committee keeps trying to reinvent the wheel, and that some appropriate screening body should get a crack at items before they become agenda items. This relates to the problem of staff work. To cite a recent example, it was in May 1973 that the Committee considered the Agency newsletter issue (MCA-41), and it did not get off the ground. In July 1974 you ran with the ball and the other three Directorates voted a strong no. Now in March 1975, at the urging of MAG, there is the suggestion that we have an Agency newsletter (MCA-119) and this is pending before the Management Committee, without any real reference as to what was done in 1973 and 1974. The point of this is that there may be a permanent place for the ADD Group to provide an input before a decision is made to put in on the agenda. I would see two key functions:

(1) Knock out the trivia items--normally generated by MAG, Mr. Thuermer, and the IG.

(2) Make sure we get solid facts and necessary staff work on worthwhile items--along with a price tag, and appropriate options.

d. Regulatory Authorities

As you are well aware, regulatory issuances relating to the Executive Director, Management Committee and the Executive Secretary were ignored completely--almost a considered indifference or lack of concern. I have drafted (with [redacted] a very detailed set of procedures for the Management Committee, whereas others, such as Mr. [redacted] favor broad general guidelines. Take your choice, but I do feel it should be

made clear as to whether this is a decision-making, coordinating, or advisory body. This was one of the first questions you asked me in October 1974, and I now think the Committee has been a little bit of everything, dependent upon the time frame.

e. Review of CIA Management Committee

The Office of Training has suggested that the Office of the Inspector General conduct a review before we make any changes in the regulations and they suggest that the study could be completed in about three months. I really feel that the Comptroller should be given this assignment for the following reasons:

(1) The Comptroller has been pushing for a "raising of the standards" of the CIA Management Committee for quite some time and they have done some spade work in this area.

(2) The Comptroller's Office has the most input from all elements of the Agency in connection with the February 1975 "Winter Conference" which has now been scrubbed.

(3) I feel Iams, [] and company are more competent to conduct an assessment of the situation than the Inspector General.

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f. Executive Secretariat Procedures

I have never been in attendance at a meeting of the CIA Management Committee; I don't have access to the daily journal; and I'm not really familiar with the routine at the morning meeting. With that as background, it would be highly presumptuous of me to suggest specific and detailed methods of streamlining procedures of the Executive Secretariat. I was, however, very much impressed with some of the concepts advanced by Mr. [] regarding computerization and I do feel this is a fertile field for developing improved procedures for the Agency. Mr. [] may go overboard in suggesting secretarial verbatim-type notes, but there should be some movement towards more details and increased clarity.

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g. Timeliness

To a certain extent, I think the CIA Management Committee can be faulted for moving in a very slow manner, or it might just show that the item should never have been on the agenda in the first place. A current example is Mr. Walter Elder's proposal on histories, which he first advanced in August 1974. As of March 1975, a decision has not been made. A decision on the COINS Project Officer took many months. We played around with the idea of an Agency movie for quite some time before it was finally shot down. The Thuermer suggestion on Bicentennial Participation was made in August 1974, and it remains a pending item in March 1975. If these are not trivial items, then the Committee should move with more dispatch.

h. Secretary

The "two hats" worn by Mr. Carl Duckett may not be a real problem, but some people in the Agency obviously think it presents difficulties. Mr. Brownman in his farewell address to Directorate officers, obviously felt that the DD/M&S, DD/I and the DD/O did not get a fair shake on some issues--such as program audits. On the other hand, comments for the "Winter Conference" suggest that someone feels the Directorate of Science and Technology does not get a fair shake because Mr. Duckett leans over backwards to be fair. It is my point that substantive DD/S&T related issues are not referred to the CIA Management Committee for consideration and maybe that is as it should be. This is an issue with which you are most familiar, and I really don't see it as a real problem. If the Comptroller does conduct a comprehensive review, however, it might be worthwhile for senior management to focus on it in terms of the actual authorities and responsibilities of the Secretary of the Management Committee



Executive Officer
Deputy Director for Administration

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Jack

Pretty good
analysis of Agent Carter.
It does highlight a lot
of the wrongs -

Fact that Agent vs
Ex Dir not tied down
may come back to haunt
us - Timing now not right
but attached analysis
well worth having in
hip pocket

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CIA MANAGEMENT COMMITTEE

- I. BACKGROUND
- II. BASIC CHARTER
- III. EXECUTIVE DIRECTOR-COMPTROLLER FUNCTIONS
- IV. MANAGEMENT COMMITTEE MINUTES
- V. MCA NUMERICAL SYSTEM
- VI. MARGINAL AGENDA ITEMS
- VII. STRONG AGENDA ITEMS
- VIII. SPONSORSHIP/IMPACT
- IX. CONCLUSIONS
- X. RECOMMENDATIONS

I. BACKGROUND

- A. The CIA Management Committee was established by a Headquarters Notice effective 14 February 1973, and there has since been some degree of criticism as to the effectiveness of this management body. Most certainly, there has been some confusion at all levels as to how the machinery operates. One element holds that the CIA Management Committee has considered rather unimportant, short-range items with no particular policy overtones, while another element maintains that the procedures are not clearly established, well organized, or consistent.
- B. This review is based upon the reports readily available in one Directorate, and the study was conducted in preparation for the DCI "Winter Conference" which had originally been scheduled for February 1975. The CIA Management Committee was included as one of the agenda items, and it is believed that some preliminary staff work might have been conducted in all the Directorates, as well as the Office of the Comptroller. In effect, there may be in existence additional research data which might support or dispute the conclusions and recommendations in this study.

II. BASIC CHARTER

A. Headquarters Notice dated 14 February 1973, established the CIA Management Committee. There are a number of observations to be made about this basic document:

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1. First, the Notice expired on 15 February 1974, and has never been renewed or otherwise put into Headquarters Regulations.
2. The CIA Management Committee is charged with reviewing and recommending to the Director "matters dealing with organizational issues and intelligence resource policy." Examples of such matters are cited, but is is not referred to as an approving body.
3. The Office of Executive Director-Comptroller was "suspended."
4. The four Deputy Directors are mentioned as "members" of the CIA Management Committee, but from the beginning there has been regular attendance by other Agency representatives, whose role is not defined.

B. CIA Management Committee Procedures (MCA-2) approved by the Director at the meeting of 28 February 1973, indicates that: "The purpose of inclusion of a topic is not formal approval by the Director of completed actions, but to inform the membership and obtain general counsel and discussion on major policy problems."

C. The minutes of the CIA Management Committee meeting of 28 February 1973, indicates that the procedures were approved "with the understanding that they are subject to adjustment with experience." DD/A records reflect an informal memorandum of 1 March 1973, prepared by the Deputy Director for Support, who stated that "coordination is the purpose of this organization change."

- D. The DCI memorandum of 5 November 1973 on "Agency Organization" indicates that "The Management Committee will consist of the DCI, DDCI, the Secretary (Mr. Duckett, also as DD/S&T), the DD/I, DD/M&S, DD/O, General Counsel, Inspector General and the Comptroller. The Committee will meet periodically to consult with the Director on matters dealing with the Agency, as placed on the agenda by the Secretary and circulated to members before meetings."
- E. A memorandum of 14 November 1973 by the Secretary of the Management Committee contains the following extract on an unlisted topic: "The Chairman highlighted his expectations for the Management Committee as a vehicle to relieve him of various chores and noted his attendant delegation of authority to the Secretary." See DCI memorandum of 5 November 1973 on Agency Organization.)
- F. In the same memorandum of 14 November 1973, the Secretary "explained that the Comptroller is a staff advisor to the Secretary and the Chairman on resource-related items forwarded for the Committee's review. He noted the Executive Secretary/CIA's role in consulting the Secretary with respect to development of agendas and whether or not a problem or action is to go before the Management Committee or be handled in the normal line and staff channels."
- G. In a memorandum of 12 November 1973, to members of the CIA Management Committee on "Pending Actions," the Secretary listed ten items which he planned to approve, and he provided comments on five other items. There is the following extract: "Per my remarks at the 9 November morning meeting, the Chairman has authorized the undersigned to approve items pending before the Committee."
- H. The minutes of the CIA Management Committee, dated 12 February 1974, point out that the Chairman endorsed the occasional attendance of Associate Deputies at future meetings of the Committee.

- I. The minutes of the CIA Management Committee, dated 26 March 1974, indicated that the Secretary "concurred in the recommendation" that the agendas for CIA Management Committee meetings be distributed at least five full working days prior to meetings.

III. EXECUTIVE DIRECTOR-COMPTROLLER FUNCTIONS

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- A. HN dated 14 February 1973, contains the following statement in Paragraph 4:

"The Office of the Executive Director-Comptroller will be suspended, and its functions (including that of the Comptroller) being assumed by the Executive Secretary of the Management Committee."

- B. Although it was never stated or implied that the CIA Management Committee actually replaced the Executive Director-Comptroller, the overall situation has never been clarified, and some of the functions have been assumed by the CIA Management Committee. The issue was addressed to a limited extent by the CIA Management Committee under MCA-32, "Former Executive Director-Comptroller Functions to be Assumed" and ER Memorandum 73-2034 is a list of functions apparently transferred to the Executive Secretary and the Deputy Director for Support (DD/M&S). Most certainly, a review of the minutes of the CIA Management Committee, dated 21 May 1973 does not make it clear as to what authorities were transferred to the Committee or other elements of the Agency.
- C. MCA-32 serves to emphasize a weakness in the CIA Management Committee machinery in that a "major policy problem" was never worked to the point of decision, and no effort was made in May 1973 to effect the necessary changes in Agency regulations.

IV. CIA MANAGEMENT COMMITTEE MINUTES

- A. The original memorandum of 26 February 1973, on CIA Management Committee Procedures (MCA-2) indicates in paragraph 3 that "Except for recording decisions reached, no minutes will be made of Committee meetings. The Executive Secretary will be responsible for assuring the Chairman that decisions reached are implemented and will provide periodic progress reports to him."
- B. In line with the above approach, the minutes of some meetings are so concise that they lack clarity and/or appropriate details. This occurs on a number of occasions when it is indicated that the issue was "discussed at length" or there was a "lengthy discussion" but no details. The following are cited as examples of minutes which might be a little too succinct:
1. MCA-44, Organization for Production
"The proposals of Mr. Colby and Mr. Proctor were discussed at considerable length, and it was decided to postpone any final decisions on this topic."
 2. MCA-42, [REDACTED] 21 May 1973 Memorandum 25X1
"Discussion and action postponed."
 3. MCA-45, ARPA Intelligence Analysis R&D Program
"Discussion and action postponed."
 4. MCA-92, New Procedures for Evaluating Research Proposals
After some discussion, the Secretary asked that the Comptroller look at existing review and approval procedures for research projects.

- C. The minutes of 25 February 1974 concerning the Returnee Interview Program of CY 1973 (MCA-82) lack specificity. Possibly the problem is highlighted most strongly by the General Counsel in his memorandum of 24 June 1974 on Limitations on Outside Activities (MCA-93), when it is pointed out that there was some confusion as to what the CIA Management Committee decided the previous week.
- D. Important, significant and worthwhile policy data is sometimes reported in a rather innocuous manner, with no appropriate heading or MCA number. It has been pointed out that the minutes of 14 November 1973 reflect new guidelines on the role of the CIA Management Committee, but the data is buried in the report and refer to "remarks" at a morning meeting of 9 November 1973 which are not readily available.

V. MCA NUMERICAL SYSTEM

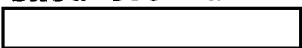
- A. It would appear that there is some weakness and considerable inconsistency in the approach used to assign MCA numbers to agenda items. At first blush, this procedural problem may not seem to be particularly important, but it has and does lead to some confusion when one attempts to staff out a problem with not much lead time. In many instances, there is no obvious connecting link between files.
- B. The following are cited as examples of the problem:
1. MCA-1 "Intelligence Support to NSC," leads directly to MCA-44/A and MCA-44/B on the "National Intelligence Office."
 2. MCA-5, "CIA Management System," leads to MCA-88/A, "CIA Management Processes."
 3. MCA-20, "Review of Training," as well as MCA-20/A, MCA-20/2, and MCA-20/3 lead to MCA-87, "Annual Report, Component Conducted Training, FY 1973." There is also MCA-76, "Annual Report of Language Development Committee for FY 1973."
 4. MCA-24, "Career Service Management," as well as MCA-24/A, MCA-24/B, MCA-24/C, and MCA-24/D lead to MCA-30, "Annual Personnel Plan."
 5. MCA-25, "Agency Image," leads to MCA-39, "Agency Image - 100 Universities Program" to MCA-67, "Recruiter Views," which is essentially a report on the Agency's image. This leads later to MCA-71, "Modified 100 Universities Program."
 6. MCA-34, "Research and Development in CIA," leads to MCA-92, "New Procedures for Evaluating Research Proposals."
 7. MCA-42, "Areas for Discussion" 25X1
21 May 1973 Memorandum) leads to MCA-46, "Studies of Intelligence Crisis Support," to MCA-100, "Internal Organization for Crisis Management."

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There was in fact considerable confusion as to what had been recommended to and approved by the CIA Management Committee.

9. MCA-74, "Impact of Proposed FY 1974 Personnel Cuts Assigned to the DD/M&S," leads directly to MCA-91, "ADD Group Review of 1975 Staff Personnel Ceiling."
 10. MCA-93, "Limitation on Outside Activities," is essentially the same as MCA-106, "Coordination and Review of Manuscripts Submitted for Publication by Former Employees."
- C. It would also appear that there is some lack of orderliness in the failure to assign or identify the MCA number under certain circumstances. The "Payment of Administrative Costs of the Voluntary Investment Plan" is recorded under, but appears to have no solid connection with MCA-91, "ADD Group Review of 1975 Staff Personnel Ceilings."
- D. MCA-6 is a listing of "Planned Management Committee Agenda Items," essentially a working document which does not merit the assignment of a number. MCA-42 on "Areas for Discussion" does not shed too much light on the proposals made by Mr. . Aspects of the COINS issue have come up for discussion at various times, most recently on 2 December 1974, but the deliberations of the CIA Management Committee were not associated with MCA-15, "COINS."

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VI. MARGINAL AGENDA ITEMS

In a post mortem review of earlier agenda items, it is felt that the following issues did not have significant policy overtones which cut across Directorate lines to any appreciable degree and/or otherwise merited the attention of the CIA Management Committee:

A.



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particular impact elsewhere. DD/A records reflect that it was approved without comment or discussion.

B. MCA-17, "Intelligence Production, March-April 1973"

The basic issue was important, and there may have been policy overtones; it would appear, however, that the primary impact was on the DD/I, and there was little or no substantive discussion by other members of the CIA Management Committee. Questionable.

C. MCA-19, "Monthly Reconnaissance Schedule"

The basic issue was important, and action was assigned to the DD/I and the DD/S&T. This did appear to be a short-range issue. At least questionable.

D. MCA-21, "New Format of Memoranda for Approval of the DCI, DDCI, and Executive Secretary, Management Committee"

The new format had already been approved in principle by the DCI, the minutes reflect no discussion, and there certainly were no policy overtones. The simplified format is fine, but there was no need for CIA Management Committee consideration.

E. MCA-22, "Classified Bulletin Boards"

This item did, in fact, impact on the entire Agency, but a question is raised as to whether it warranted the attention of senior management for detailed input.

F. MCA-26, "Grievance Procedures"

In response to the comments of the Junior Officers Study Group, the Inspector General prepared an Agency Notice explaining its role in the handling of grievances. There was related input from the Offices of Personnel and Training, but DD/A records reflect no details of substantive discussion by the CIA Management Committee. Minor issue.



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issue, and a good report was approved, but there did not appear to be any substantive discussion by the CIA Management Committee. It is believed that direct action would have achieved the results.

H. MCA-36, "Revision of DD/O Staff Structure"

There would appear to be little question that this was an important issue, but it was basically a DD/O item of concern to the DCI, with little or no input from other members of the CIA Management Committee. It was not part of an overall Agency restructuring, streamlining, or personnel reduction program.

I. MCA-37, "Review of Consultants and Rehired Annuitants"

This issue was of interest to all four Directorates, and it was made clear that the Agency should not maintain a stable of advisors unless there is a need for their expertise. There did not appear to be any substantive discussion by the CIA Management Committee members, and a mechanism did exist to check on this program on a yearly basis. Minor issue.

J. MCA-58, "Management Committee Item - Definition of Vital Records"

There was a request for a restatement or reaffirmation of Agency policy toward Vital Records, and it

was recommended that an Agency Notice be issued on the topic. This was approved and there is no indication that the issue was discussed. It would appear that direct action outside the CIA Management Committee would have been appropriate.

K. MCA-67, "Recruiter Views"

This is an informative three-page report on the Agency's image following Watergate. Our records fail to reflect that there was any substantive discussion or action taken on this item.

L. MCA-80, "Agency Parking Permit Policy"

This issue certainly impacts on all elements of the Agency, but hardly warranted the attention of senior managers. Directorate representatives subsequently formed a Parking Committee to handle this matter at the appropriate level.

M. MCA-92, "New Procedures for Evaluating Research Proposals"

This was an Agency MAG proposal which touched on an issue which was primarily of concern to the DD/S&T. The net result was that the Comptroller was asked to look at existing review and approval procedures. As presented, the topic hardly warranted the time and attention of the CIA Management Committee.

N. MCA-93, "Limitation on Outside Activities"

This related to procedures for clearance of articles for publication, or speeches for presentation by former employees. The issue is important, and it does impact on all elements of the Agency, but it would appear that the item was prematurely presented as an agenda item. Subsequent CIA Management Committee action was taken five months later under MCA-106.

O. MCA-94, "Establishing Priorities for Computer Service Requests"

This item was referred to the CIA Management Committee by the Audit Staff, following an audit of the Office of Joint Computer Support. This problem was being worked out within OJCS, and referral to the CIA Management Committee was extremely premature.

P. MCA-103, "Bicentennial Participation"

This issue is of minor concern to the Agency and should not have been referred to the CIA Management Committee. The item could have been addressed at the working level.

VII. STRONG AGENDA ITEMS

In a review of earlier agenda items, it is felt that the following issues did in fact have significant policy overtones and merited the attention of the CIA Management Committee:

- A. MCA-1, "Intelligence Support to the National Security Council"; MCA-44, "Support to the DCI on National Intelligence"; MCA-44/A, "National Intelligence Office"

This item appears to be of fundamental importance to the Agency, but the minutes of 24 April 1973, provide little insight as to the "lengthy discussion" of the pros and cons. There was a further review of the concept in June and July 1973.

- B. MCA-5, "CIA Management System"; MCA-88, "The Agency's Management System"; MCA-88/A, "CIA Management Processes"

Again, this issue appears to be of fundamental importance to the Agency, and there is a very useful insight as to the Director's views on management by objective. The minutes of 3 April 1974 provide pretty solid policy guidelines.

- C. MCA-14, "Consolidation of Selected ADP Operations"

This related to the approval to centralize computer systems, and the transfer of the Office of Joint Computer Support to the DD/A. There was an important policy decision which impacts on most major elements of the Agency.

- D. MCA-20, "Review of Training"; MCA-87, "Annual Report, Component Conducted Training"

Training has a significant impact on all elements of the Agency, and the rather detailed minutes of 24 April 1973 and 22 April 1974 reflect very useful policy input from the highest level.

E. MCA-24, "Career Service Management"; MCA-24/A, "New Approaches to Personnel Management"

This deals with the improvement of personnel management in the Agency, and a complete overhaul of the system, following the establishment of an inter-Directorate personnel study group. It is submitted that this issue is probably one of the best examples of the type problem which should be addressed by the CIA Management Committee. There continues to be important follow-through action, also including MCA-30, "Annual Personnel Plan."

F. MCA-32, "Former Executive Director-Comptroller Functions to be Assumed"

This issue is of fundamental importance, but it was never adequately addressed by the CIA Management Committee. There was a significant lack of follow-through. The issue was discussed at the Committee meeting of 16 May 1973, but the problem was really worked by the Deputy Director for Administration as of 10 March 1975.

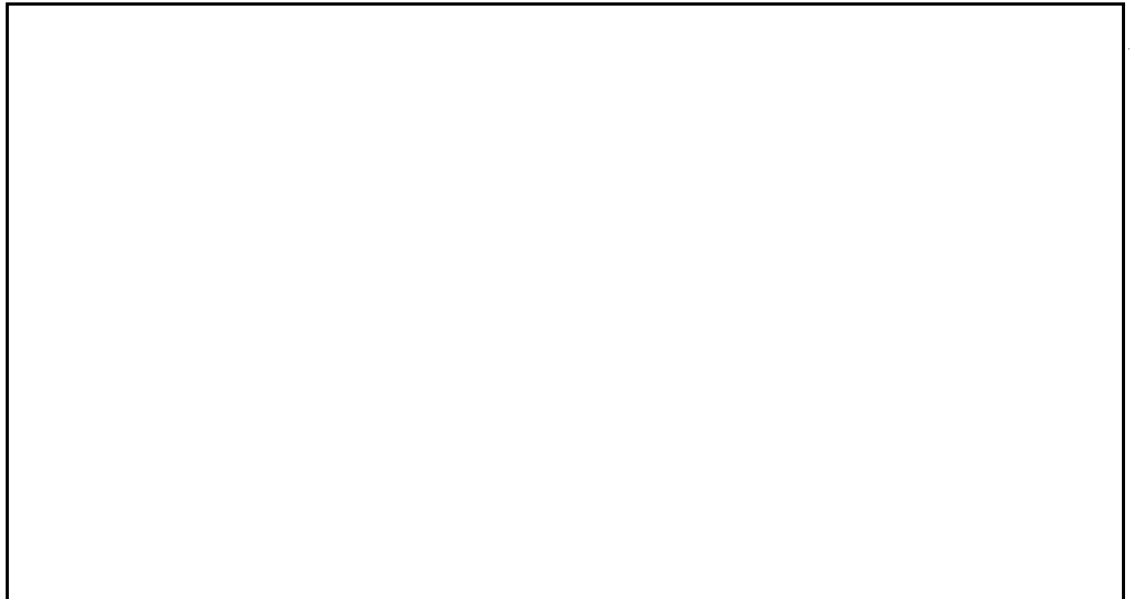
G. MCA-34, "Research and Development in the CIA"

It is believed that the basic issue is important from a policy standpoint, and there is a significant impact on all major elements of the Agency. As with MCA-20, the minutes of 13 June 1973, are more detailed than usual, and there is some clear presentation as to the views of some senior officials. This was a useful review of "research" which compares favorably to the much lighter study in MCA-92.

H. MCA-40, "National Intelligence Survey Program"

This related to the DD/I proposal that the DCI present before USIB an Agency recommendation to abolish the NIS Program. Although the issue was of primary concern to the DD/I, it impacted on other elements of the Agency and the intelligence community in terms of manpower and financial resources. Although the issue might have been handled through direct command channels, it seems more appropriate as a CIA Management Committee item.

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J. MCA-52, "FY 1974-75 Program Review"

There were major Agency decisions concerning our personnel strength, and our financial resources. This was of considerable importance from an overall Agency standpoint.

K. MCA-91, "ADD Group Review of 1975 Staff Personnel Ceiling"

MCA-74, "Impact of Proposed FY 1975 Personnel Cuts Assigned to the DD/M&S" covered in considerable detail the impact on the Agency of proposed cuts within one Directorate. This led to the establishment of a committee composed of the four Associate Deputy Directors, the Director of Personnel and chaired by the Comptroller. The committee conducted a rather exhaustive review of personnel resources within the Agency, submitted a final report on 1 May 1974, and this was approved by the CIA Management Committee on 9 May 1974.

L. MCA-89, "CIA Retirement and Disability System (Inspector General)"; MCA-89/A, "General Counsel's Overview of Agency Early Retirement Policy"; MCA-89/B, "Review of Agency Retirement Policy (Office of Personnel)"; MCA-89/C, "Agency Retirement Policy (Office of Personnel)"

Although this issue appears to have been presented to the CIA Management Committee somewhat prematurely,

without the appropriate staff work by components having primary cognizance, there is little questions that it is an important policy issue which touches the roots of the Agency. It most certainly merited the attention of the CIA Management Committee on policy grounds.

M. MCA-99, "Agency Personnel Ceiling"

On 5 July 1974, the Comptroller submitted a rather detailed report on the new single ceiling concept, and the controls being imposed by the Office of Management and Budget (OMB). The matter was considered by the CIA Management Committee on 11 July 1974, and action was initiated by the Office of Personnel and the Comptroller to work out an Agency solution, with appropriate input from all Directorates. As with MCA-91, the issue is extremely important to all elements of the Agency.

N. MCA-108, "CIARDS Financial Situation"

A working committee conducted a review of the CIARDS financial situation and determined that by 1982, there may be insufficient funds in the CIA Retirement Fund for the payment of annuities. Various options were presented to the CIA Management Committee on 6 November 1974, and a decision was made on 20 November 1974. It is to be noted that the basic document was generated by one Directorate, but it reflects the concurrence of the General Counsel, the Legislative Counsel, and the Comptroller before it was referred to the CIA Management Committee. It is obviously an important issue.

VIII. SPONSORSHIP/IMPACT

It is rather difficult to develop a meaningful and accurate analysis as to the sponsorship and impact of the many issues which have been addressed by the CIA Management Committee in the last eighteen months. There would appear to be some reasonable evidence, however, to support the following:

- A. Throughout most of 1973, the Executive Secretary either sponsored or otherwise generated most of the agenda items that were considered by the CIA Management Committee. The catalytic effect is quite obvious--priming the pump.
- B. At the Directorate level, most of the items were initiated by the DD/A, followed by the DD/I, and the DD/O. There were very few items sponsored by the Directorate of Science and Technology.
- C. It would appear that the CIA Management Committee was sometimes used as a sounding board for issues which had little impact on the membership. This may have been intended as a useful spin-off effect.
- D. The CIA Management Committee was perhaps used as an information exchange mechanism for some issues, which could otherwise have been resolved through direct action.
- E. In some instances the problem might have appropriately been worked out at a lower level, without the need to refer the matter to the top managers.
- F. Early on, before the "five working day rule" was established, it was sometimes difficult to adequately study the problem before it was considered as a formal agenda item. Where an item has a major impact on one Directorate, that unit should have the opportunity to conduct a proper analysis.

IX. CONCLUSIONS

In following CIA Management Committee matters through 1973-1974, one is led to the following conclusions, most of which are inter-related:

A. ROLE

The basic role of the CIA Management Committee is not clear, in terms of it being a coordinating, policy, advisory or decision-making body. The role of the CIA Management Committee has evolved and changed in the last eighteen months.

B. CHARTER

It is submitted that the original CIA Management Committee charter of 14 February 1973 [redacted] has not only expired, but it was inadequate to begin with; and it does not cover the true role of the CIA Management Committee. A new, complete current and accurate regulatory issuance is very much required. The same applies to [redacted] relating to the Executive Secretariat.

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C. SECRETARY

Most certainly, the authority and responsibility of the Secretary was changed dramatically in November 1973, but this is not appropriately covered in the regulations, and his approval authorities are not clearly defined.

D. MEMBERSHIP

The membership of the Committee is not formally explained. The minutes encourage the "occasional attendance of Associate Deputy Directors, but the record remains silent concerning the presence and participation by other senior officials who regularly attend CIA Management Committee meetings.

E. AGENDA

A high percentage of agenda items placed before the Committee are inappropriate for consideration by a senior level management body, either because the issues are not sufficiently important or they could more directly be handled through normal channels.

There should be a tighter screening, with a heavier focus on "major policy problems."

F. STAFF WORK

Clear provision has not been made for supportive staff work on issues placed before the CIA Management Committee. There are many examples, but an issue which stands out is MCA-32 on the Executive Director-Comptroller, as there was little staff work prior to consideration by the Committee, and there was no follow-through action in terms of implementation. This was on a major policy problem relating to a key change in the Agency's management process. On the other side of the coin, in reviewing "strong" agenda items, it appears that the CIA Management Committee has operated at its best when there is strong basic staff work, as in MCA-91, "ADD Group Review of 1975 Staff Personnel Ceiling."

G. MINUTES

The minutes of the CIA Management Committee are often enigmatically brief and do not provide an adequate base for clear action, control and follow-up. It is often rather difficult to accurately determine what was decided, much less the rationale or considerations involved in the decision.

H. PROCEDURES

Procedures for the Committee have not been adequately defined and some confusion exists as to how the Committee is supposed to function. What are the guidelines, which are to be adjusted "with experience?"

I. COMPUTERIZATION

From the standpoint of efficiency, it does appear that there should be a completely fresh look at the procedural machinery of the CIA Management Committee, with a view towards streamlining and otherwise bringing a little more orderliness to the system.

It is felt that a comprehensive feasibility study would be in order, covering all aspects of activities in the Executive Secretariat area.

X. RECOMMENDATIONS

A. There are the following major recommendations relating to the CIA Management Committee:

1. Conduct an in-depth analysis of the management process, with a view towards determining how the CIA Management Committee can best assist and support the Director in running the Agency. I feel that this could best be handled by the Comptroller's Office, with input and assistance from all major elements of the Agency.
2. Revise and update the regulations, spelling out the mission, functions, authorities, procedures and membership of the CIA Management Committee. A draft proposal is attached.
3. Clarify the role and authorities of the ~~Executive~~ Secretary, both in terms of the CIA Management Committee and the Agency.

B. There are the following minor recommendations:

1. As a rule of thumb, have the CIA Management Committee focus on major policy issues, which have a broad impact. Stress quality items, and avoid the less significant.
2. Ensure that agenda items are properly developed and thoughtfully staffed out, so that all of the relevant facts are available, in advance.
3. Arrange for more detailed reporting of the minutes, setting forth policy decisions in such clear-cut and comprehensive manner as to supply the basis for executive action. Verbatim stenographic notes may not be needed, but there should be more substantive detail than is being provided at present.
4. Revise and update the duties and responsibilities of the Executive Secretary, as outlined in [redacted] which expired 1 August 1974. (Mr. [redacted] has STAT drafted an appropriate Notice.)

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5. Conduct a comprehensive feasibility study covering all activities of the Executive Secretariat, with a view towards computerization of major activities.

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OGC 75-0032
6 January 1975

MEMORANDUM FOR: Executive Officer, DDA

SUBJECT : Management Committee Authorities

1. Responsive to your note of 26 December and our several conversations on this subject, I have reviewed the papers you assembled and the several draft memoranda you prepared; I think this is a valuable piece of research. In particular, it serves to pinpoint what the Management Committee situation seems to be, namely, that the purpose, use and authority of the Committee has not been entirely tied down, probably because management's views in this area change somewhat.

2. Nevertheless, the purpose of the Committee seems to be that major questions of Agency-wide import are to be considered by the Committee and in appropriate cases recommendations forwarded to the Director for decision. Paragraph 2 of [] seems adequate for that purpose. In any event, I would avoid any effort to spell out detailed and lengthy specifics as to the mission, functions, responsibilities, authority, composition, etc., of the Committee, at least at this stage. Informality and flexibility are useful to a function of this sort.

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3. On the other hand, it would be desirable to clarify the situation as to the disposition of the authorities formerly exercised by the Executive Director-Comptroller. In particular, Director Schlesinger's suspension of the Office of the Executive Director-Comptroller and his statement that the functions of that office are being assumed by the Executive Secretary of the Management Committee (paragraph 4 of [] leave a number of loose ends. While I think Schlesinger's action should be interpreted as having terminated the Office of the Executive Director-Comptroller, it would be well to include in Agency regulations provisions transferring the appropriate functions of that office to the present Office of the Comptroller. Notwithstanding the Schlesinger papers, it is unclear that the other functions of the Executive Director-Comptroller were intended to be transferred to other offices or officials. A Director decision on this matter should be useful.

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Associate General Counsel

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DIRE-2256

21 January 1975

MEMORANDUM FOR: Executive Officer-Deputy Director for Administration
SUBJECT : Management Committee

Skip:

STAT Because your request to me was personal, I am forwarding these comments in draft form for any use you and the DD/A consider appropriate. Only [] have consulted with me on this matter and the product does not represent a coordinated OTR position. It is, however, a consensus of our views about how initially to work toward improving the management of the Agency.

The draft HN you forwarded for our perusal is interesting and comprehensive. We have not commented on it since we believe it may be premature to suggest such specifics to the Management Committee in the form of an HN. We see the production of an HN evolving during the latter stages of the Project Officer's staff work. It may well include much of what you suggest, but tactically we feel you should delay submitting it to the Management Committee.

We would be pleased to discuss the attached paper with you and/or others at your pleasure.

Att



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20 January 1975

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Change in the CIA Management Committee Structure

In this paper we discuss the issue of the CIA Management Committee, we suggest the attributes of an improved management mechanism, and we offer an Action Plan through which changes might be implemented.

I. DISCUSSION

A. DOES THE DIRECTOR NEED ASSISTANCE IN MANAGING THE FOUR
DIRECTORATES AND THE INDEPENDENT OFFICES OF THE DCI AREA?

Comment: CIA history suggests clearly that the Director does need such help...that the management of CIA from the DCI echelon does call for more time than the Director can personally give to it in view of his many other roles (White House, NSC, Intelligence Community, Congress, Public Relations, etc.). Further, the "one agency" theme calls for increased planning and control from the Agency echelon. More fundamentally, in an era of

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curtailed resources and rapid change, all bureaucracies will require more, not less, - and stronger, not weaker - management from the top.

B. DOES THE PRESENT CIA MANAGEMENT COMMITTEE PROVIDE ADEQUATE SUPPORT TO THE DIRECTOR IN THE MANAGEMENT OF THE AGENCY?

Comment: We believe the answer is "No".

Deficiencies in structure, procedures, and performance of the present Management Committee include the following:

1. The basic role of the Committee is not clear. (Is the Committee a coordinating body? A policy body? An advisory body? A decision-making body?)
2. Procedures for the Committee have not been adequately defined. Confusion exists as to how the Committee is supposed to function.
3. The membership of the Committee is not formally defined or explained.
4. The key titles of Secretary and Executive Secretary are confusing. This confusion in titles is compounded by the fact that for the majority of meetings the Secretary acts as Chairman.

5. The authorities of the former Executive Director-Comptroller have not been clearly reassigned since the termination of that position. Some of those authorities at least have been assumed by the Committee.
6. The delegation of approval authority from the Director to the Secretary of the Committee is unclear.
7. A high percentage of Agenda items placed before the Committee are inappropriate for consideration by a senior CIA-level management body... either because the items are not sufficiently important or because they could more directly be handled by normal channels outside of the Committee.
8. Minutes of Committee meetings are often enigmatically brief and do not provide an adequate base for clear action, control, and follow-up.
9. Clear provision has not been made for supportive staff work on issues placed before the Committee.

C. WHAT GENERAL ATTRIBUTES SHOULD CHARACTERIZE A TOP LEVEL MANAGEMENT MECHANISM INTENDED TO PROVIDE SUPPORT TO THE DIRECTOR IN THE MANAGEMENT OF THE AGENCY?

Comment: We believe any mechanism which can effectively support the Director in the management of the Agency will have these general attributes:*

1. The mechanism will be granted major responsibilities by the Director.
2. The nature and scope of its role will be thoughtfully and formally defined...so that its province of operation is clear, including its relationship to the role of the Director himself.
3. The operating procedures of any such mechanism will be expressly developed and formally defined.
4. Provision will be made for direct and formal participation in the mechanism by each of the Directorates and by specified Offices of the DCI Area.

*Most of these attributes are not present in today's Management Committee.

5. The mechanism will be, first and foremost, a decision-making mechanism on specified areas within its prescribed province; on other areas within its province it will be advisory to the Director. These "decision" and "advisory" areas will be formally defined.
6. The mechanism will have an appointed leader or "chief", whose role and authority is formally defined.
7. The "chief" will personally act as decision-maker in authorized areas.
(In such areas, decision will not be governed by majority vote.)
8. The "chief" will be superior in authority to the other members of the body for those matters which come before him as "chief" for decision.

D. COULD EITHER THE MANAGEMENT COMMITTEE OR THE EXECUTIVE DIRECTOR FORMATS BE EFFECTIVE AS THE MANAGEMENT MECHANISM TO ASSIST THE DIRECTOR IN THE MANAGEMENT OF THE AGENCY?

Comment: We believe either format (management Committee or Executive Director) could be effective, provided the general characteristics listed in Section C above are met. We believe further that any mechanism not

having the above characteristics will prove deficient in performance. Although either the Management Committee format or the Executive Director format could be structured to be effective, it does appear that the lines of authority will be cleaner and clearer if the "chief" of the management mechanism is a stand-alone officer, not doubling also as the head of one of the Directorates. In this regard, the Executive Director format is preferred.

II. CONCLUSIONS

- A. We believe an improved mechanism to support the Director in the management of the Agency is both needed and possible. (The desired attributes of such a mechanism are presented in Section C above.)
- B. Much useful spade work on this issue has already been done across the Agency. The current efforts by each Directorate will help to summarize and organize such materials. Both the facts and the foundation thinking relative to this issue will soon be available from the various contributors. Collectively these papers will contain the seeds of solution.
- C. Thus, the Agency is now in position to proceed to the final phases: (1) to conduct a comprehensive and integrated central analysis of the problem and to propose potential

corrective actions for evaluation by management and (2) to

prepare for the Director's approval specific and formal implementing documents for the strengthening of a CIA management mechanism to support more effectively the Director in the management of the Agency.

III. RECOMMENDATION AND ACTION PLAN

We recommend that the Director approve the following Action Plan in order to improve the effectiveness of the Agency-level management mechanism within CIA.

Action Plan

- A. The Director will designate a Project Officer (such as the I.G.) to carry this management issue to completion; (i.e., to perform the required central analysis, to coordinate his findings and recommendations, and to prepare for the Director's approval the necessary implementing documents to strengthen the Agency's top level management mechanism)by the start of Month One.
- B. The Project Officer will perform a central analysis of this issue, drawing on all of the papers submittedby the middle of Month One.
- C. The Project Officer will ascertain the need for change, identify the basic attributes which a more effective management mechanism should possess, identify alternative management structures having such attributes, and submit his findings regarding same to the members of the present Management Committee for their review and comment.....by the end of Month One.

- D. The members of the present Management Committee will submit their comments to the Project Officerby the middle of Month Two.
- E. The Project Officer will review the comments received, evaluate the alternative mechanisms under consideration, determine the mechanism he deems most desirable, and submit his analysis and recommendations to the Directorby the end of Month Two.
- F. The Director will select and approve the management mechanism he desires.....by the middle of Month Three.
- G. The Project Officer will prepare specific implementing documents, coordinate same with members of the present Committee, and submit the finalized implementing documents to the Director for approval and implementation.....by the end of Month Three.

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17 January 1975

MEMORANDUM FOR: Executive Officer, DDA

SUBJECT : Desiderata--Management Committee

1. The smooth and efficient functioning of the Management Committee is in part directly related to the effectiveness of the Executive Secretary in fulfilling his administrative responsibilities in connection thereto. This paper addresses the role of the Executive Secretary, discusses those of his duties that have a direct impact on the administration of the Committee, and suggests changes that might relieve the Executive Secretary and his assistant(s) of many clerical tasks so that more attention could be paid to substantive matters.

STAT 2. The Executive Secretary holds one of the most responsible staff assistant's positions in the Agency. His responsibilities outlined in [] (now expired) point up two important functions: review of all extra- and intra-Agency correspondence. He is then a correspondence reviewer, coordinator, document distributor, work scheduler, tickler, abstractor, recorder, indexer, file maintainer and retriever. Those tasks he performs in direct support of the Office of the DCI are not really very different than those he performs for the Management Committee: he reviews items for inclusion on an agenda of the Committee; he prepares draft agenda; he assigns control numbers for easy reference, cross indexing, and quick retrieval of staff or position papers; he distributes related papers to Committee members to ensure coordination of all aspects of an issue; he records minutes of the Committee meetings in sufficient detail to provide an accurate and historic record of not only the actions taken by the Committee, but also a record of the views of its members; he maintains a tickler file for the Secretary to provide a mechanism for timely follow up of suspense items; and he retains as the office of record all Management Committee action and related papers in a central file for easy and rapid access by all Committee members. Under normal circumstances, one would think the same methods and procedures used in organizing and managing the DCI's paperwork could also be used by the Executive Secretary for the Management Committee. However, this apparently does not seem to work. I can only speculate as to the reasons therefor.

3. As you are aware, at the behest of Ben Evans I made a survey of the Executive Registry in 1973 primarily to examine those functions which might lend themselves to mechanization. I paid particular attention to repetitive tasks and tasks that were people intensive. I also looked at

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several other functions of the Executive Secretariat and postulated that their interrelationship with some of the Registry functions might also make them candidates for automation. I bounced my ideas off a young analyst in OJCS who tentatively agreed with my working hypothesis. He then set about the task of developing a systems concept which we used to brief Ben Evans (Tab A) who was initially quite excited about the idea. OJCS received the go-ahead shortly thereafter to design the system and install the hardware (terminals) to prove the feasibility of such automation. (I believe it was a topic of discussion at a meeting of the Management Committee.) Even though the automated system was designed to minimize the disruption to the manual system, it was only partially implemented, i.e., the classical registry functions (preparation of the document control slip) and the Director's Daily Minutes. In retrospect, while the proposed system was never completely implemented, enough was accomplished I believe to prove that the system could be useful in the Executive Secretariat, in other registries, and also in support of the Management Committee.

4. The volume and type of transactions of Committee business alone are not sufficient to warrant serious consideration of an on-line automated system. They perhaps could be combined though with other functions (to beef up the volume), but for reasons of security, resources, computer mean-time-between-failure, response time, lack of interest, or whatever, I believe alternate solutions should be explored. For example, I thought that once the feasibility of automating certain Secretariat functions was proven, the next step would be to consider the economics of a stand alone mini computer vice an on-line system connected to OJCS maxi computers. A mini system would enhance security of the files, decrease response time, and hopefully be more reliable. There is a wide range of mini computers on the market that might be considered for this purpose. For example, the attached article (Tab B) on a recent announcement of IBM's personal computer system which rents for something like \$800 a month (the cost of a good Registry clerk) is something like what I had in mind. This alternative was not explored, so I can only speculate about the applicability of a mini computer system in this environment. However, there are some suggestions and/or changes to the present manual methods that I can offer for consideration.

a. Minutes of the Management Committee Meetings

These minutes should be recorded in full to provide a complete, accurate, and historic record of the proceedings. Therefore, it is essential that stenographic notes be taken to assist the Executive Secretary in the preparation of draft minutes for the approval of the Secretary. The approved minutes could then be converted to magnetic tapes and formatted for processing on the RSM (Rapid Search Machine) for retrospective search and retrieval as required. This would give the Executive Secretary (or any other member for that matter) the capability of open text searching the minutes to scan quickly for relevant references that may be important to Committee members in considering new business.

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b. Committee Files

Committee files could be separated from the DCI Registry. These subject files should be completely revamped and organized in such a way as to make them more responsive to the retrieval needs of the members. I would suggest that the new file arrangement follow the Agency's subject-numeric scheme so as to eliminate the necessity for maintaining the often overworked and misfiled document control slips. This was to be one of the big advantages of the automated DCI Registry system. I would further suggest that the Executive Secretary (as the office of record for all Committee material) be responsible (with the aid of Dave Evans perhaps) for not only reorganizing the filing system, but duplicating and distributing them to all Committee members for their use. The Executive Secretary would maintain the master index to Committee files and in this respect would classify all papers circulated to Committee members accordingly for filing by their staffs. This would I believe save considerable time on the part of all Committee members and ensure the maintenance of more complete records. A variation on the above would suggest that only the Executive Secretary maintain the Committee files (accessible to all members, of course) which would reduce appreciably the amount of storage space required to house the distributed files, and also cut down on the clerical burden of the members in this regard.

c. The Daily Journal

While the Daily Journal which is prepared by [] is not really a part of Committee business, I mention it nevertheless because if the procedure surrounding its preparation be revised, it would then permit [] to concentrate his time and efforts on Management Committee business: organization and maintenance of the files as indicated above, researching staff papers to ensure that all pertinent material in the files is made available to all members for their review prior to meetings, drafting minutes from Ben Evans' notes, his own, and/or other stenographic notes taken at the Committee meetings, supervising the conversion of the minutes to mag tape reels, maintenance of a tickler file for suspense items either via the automated system in the Executive Registry or using his own method, and such other tasks as may be required from time to time to support the Secretary and/or Executive Secretary. Since the preparation of the Daily Journal is really mechanically just an expansion of the abstracting function that is performed in the Registry, it would suggest that maybe the latter might be adapted to satisfy the needs for publishing a Daily Journal.

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5. The thrust of the above suggests that the Executive Secretariat, supervised by Ben Evans, the Executive Secretary, two staff assistants, and two secretaries, plus six Registry personnel are apparently too pre-occupied with other chores to support their primary function than to give the administration of the Management Committee its due. Short of applying automated concepts mentioned above and outlined in the attached drawings (Tab A), I believe the present system can be improved as I have outlined and by a shift in responsibility or administrative support for the Committee from the Executive Secretary to a staff assistant designated for this specific purpose.



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Attachments: a/s

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PRESENT SYSTEM

REGISTRY FUNCTIONS

- ☐ SORT
- ☐ LOG
- ☐ ABSTRACT
- ☐ INDEX
- ☐ FILE
- ☐ RETRIEVE
- ☐ CONTROL TS AND CODEWORD
- ☐ TICKLER
- ☐ STORE DOCUMENTS
- ☐ MAINTAIN SUBJECT FILE INDEX
- ☐ DISTRIBUTE DOCUMENTS

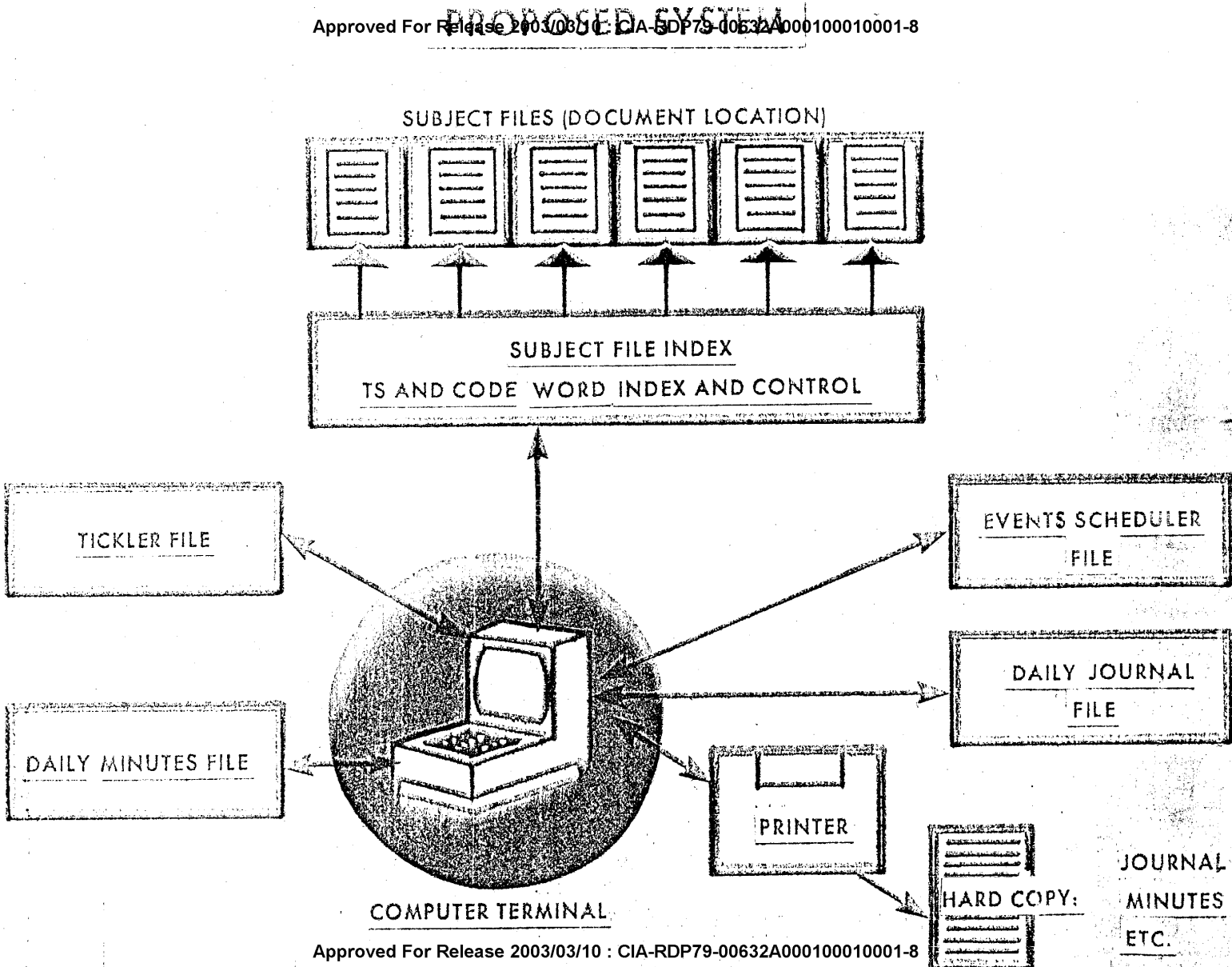
DAILY MINUTES

- ☐ ROUGH NOTES
- ☐ STENO TRANSCRIPTION
- ☐ MTST TRANSCRIPTION
- ☐ CONVERSION CASSETTES
TO MAG TAPE REEL
- ☐ FORMAT FOR RSM
PROCESSING
- ☐ STORAGE/RETRIEVAL

EVENTS SCHEDULER

- ☐ DCI APPOINTMENTS

DAILY JOURNAL





ADVANTAGES

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● ADAPTABILITY TO PRESENT ENVIRONMENT

● FLEXIBILITY

ADD ONS (CABLES, OTHER REGISTRIES, LASER SCAN)

NEW DIRECTION

● STATISTICAL DATA

● DECREASED CLERICAL INVOLVEMENT

● SHORTER TRAINING TIME FOR NEW PERSONNEL

● VOLUME VS. PERSONNEL

● OPTIMIZE SEARCH CAPABILITY--END-TO-END

● SECURITY

DATA BASE

FUNCTION

TERMINAL



DISADVANTAGES

● RELIABILITY

● SECURITY

HARDWARE

MINI

MAXI

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THE "EVERYBODY COMPUTER" FROM IBM

"The easiest-to-operate, smallest, and lowest-priced, general-purpose business computer ever announced by IBM" was introduced last week by the company's General Systems Division (P.O. Box 2068, Atlanta, Georgia 30301). Dubbed System/32, the basic version costs \$770 a month!

As compared to spending about \$1,100 or so a month for the System 3, which has found many applications in printing industry plants, a complete System/32--with even more capabilities--can be rented for about \$800 monthly. IBM anticipates that its newcomer will eventually succeed System 3 as "the world's most widely used computer."

Briefly described, the System/32 is a desk-sized unit that includes a central processor, a basic memory of 16K to 32K characters, an operator keyboard (complete with visual display screen), and a hard-copy printer which operates at up to 155 lines a minute. Significantly, the system's storage capability can be considerably expanded.

Emphasizing the matter of ease-of-operation, IBM indicates that it will provide (for \$163) a "self-study" course enabling a customer's "clerk or secretary" to learn to operate the System/32 in three days! IBM also plans to make available, at extra cost, "industry application programs" that it claims will eliminate the need for an in-house programmer.

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Demand Printing: A Revolution in Publishing

by Alfred L. Fenaughty
Information International, Inc.



Alfred L. Fenaughty has been chief executive of Information International, Inc. since 1965. He was previously with Computer Control Company where he was vice president and general manager, Western Division, responsible for all phases of operations, including direct technical and administrative management of 3C's new product development and market introduction.

ABSTRACT

The emergence of demand printing may revolutionize the publishing industry. New technology has already pushed publications in totally new directions. Today, information can be stored on a computer and called out, in printed form or on film, on demand. At the same time, new computer-based techniques will shorten the composition and plate-production segment of the printing process. Then it will be economically feasible to custom-tailor newspapers, magazines, books and reference data for small specialized groups of readers.

The potential for a truly revolutionary change in the publishing of books and magazines exists today. The potential resides in a combination of computer-based systems and some new printing techniques that, in most cases, are commercially available and in general use.

The overall concept that will introduce this revolution we call demand printing -- the capability to provide a reader a highly selective publication at the time when he wants the information. This contrasts with current publishing methods where, for example, national news magazines like *Time* and *Newsweek* provide hundreds of thousands of readers

with the same collection of editorial matter and advertising. Very few of these readers are likely to be interested in more than a fraction of the material presented.

The publishing of reference texts is done in much the same way as a news weekly. Enormous volumes of professional reference materials are printed and made available to libraries, universities and individuals. They sit on shelves where they are used infrequently and only in part, if at all.

The concept of demand printing incorporates two elements that are indeed revolutionary. First, economies of scale are eliminated altogether. The technology will provide a situation, for example, where the cost of printing thousands or hundreds-of-thousands of magazine copies that differ from one another will be no greater than the present cost of publishing the same number of copies that are identical.

Second, subscribers, or book buyers, will have a new interactive relationship with publishers. Publishers will constantly sample the desires of readers and respond in a considerably more personal and direct way than is now the case.

Demand printing technology can be implemented on a number of levels. The most expansive system within the realm of feasibility envisions placing the entire contents of the Library of Congress in computer storage and linking it over data networks to any number of outlets, including municipal libraries and book stores, where the publications could be printed on the spot in response to an individual request. On the other end of the spectrum are highly specialized professional reference services, of a type already implemented for several applications.

The computer storage capability to handle masses of information, even as great as the Library of Congress, is already feasible. Many ordinary types of disc storage that provide quick random access for medium and large scale computers are available

to handle any number of lesser tasks. For gigantic information storage requirements, more exotic systems may be required, but they are available.

An example is the recent introduction of the IBM 3850 Mass Storage System. This unit employs a series of tape cartridges that can hold 50 million characters each. (Figure 1.) It has been estimated that such a system can provide fairly quick access to 500 billion characters of data — equivalent to a very large portion of the Library of Congress.

There are also computers available that can manage such enormous memory stores efficiently. An example is the data computer project of the Computer Corporation of America in Cambridge, Mass. Such systems can locate, retrieve and transmit selected portions of stored memory in response to thousands of requests from worldwide data networks. The data networks themselves exist in many of the time-sharing services operating throughout the country, and in such worldwide computer communication systems as the ARPA network of the Department of Defense and the commercial Telenet system.

The first step in implementing printing on demand, of course, is to record printed source information in computer-readable form. This capability exists in the Information International, Inc. GRAFIX I system that reads anything the human eye can see. (Figure 2.)

Using the GRAFIX I system, material to be converted is first filmed by a planetary camera, then 35mm film is read by a film scanning unit. The film scanner includes a high precision CRT, photo multipliers and analog-to-digital converters. Scanned information is stored in a core memory unit for

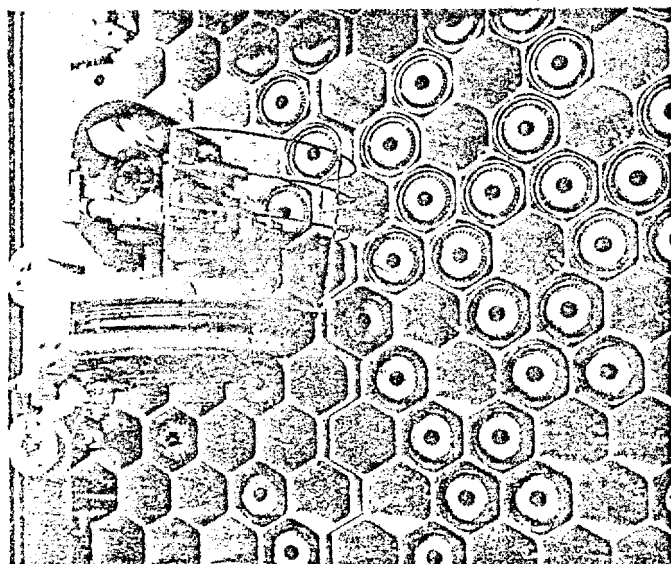


Figure 1. Vast amounts of information can be stored on data cartridges housed in the honeycomb storage compartments of the new IBM 3850 mass storage facility, part of the IBM 3850 mass storage system. The device contains a control unit that allows it to locate a needed cartridge and transfer it to a recording device where the information can be sent to magnetic disk drives.

further processing by a binary image processor (BIP). (Figure 3.)

The BIP is a stored-program, image processing computer designed to achieve the highest efficiency in processing black and white image data. The BIP processes the scanned images stored in core memory using either masking or feature extraction techniques, or a combination of both. Masking is a comparison of characters to be recognized with masks in the central recognition logic of the BIP. Recognition of printed material relies primarily on masking techniques, enhanced by various probability algorithms. Feature extraction involves determining properties such as the presence of ascenders and descenders, character width, or total character size. (Figures 4 and 5.)

The GRAFIX I system has already been used to convert 25 years of Canadian court records in an indexed system at the University of Montreal. The Montreal system enables subscribers to query this huge store of legal information using key words to retrieve any one or any number of cases bearing on a subject of interest.

The ability to read printed matter and store it in a computer is not limited to text. Information International recently introduced a technique that permits photographs to be reduced to computerized form, enhanced, transmitted, stored on magnetic tape and reproduced directly in half-tone form on paper or film. The method eliminates altogether a conventional half-tone screening, photographic copying and paste-up.

The final link in the demand printing chain is to provide direct printing methods that can operate from digital data to create fully composed pages. Here again, existing computer composition and phototypesetting machines exist to print stored data quickly. The systems, as they exist now, can provide graphic arts quality output.

At this point, the technology has not achieved the sophisticated levels of page composition that would be required to match the layout quality of the most refined magazines. This limitation is a problem of software development, however, and is not an inherent limitation of the equipment. The difficulty is in programming for the computer all the decisions that an art director makes in laying out magazine pages.

While it is not likely that a computer composing system will match the highest levels of creativity in this regard, programming can be created to match a level desirable for a newspaper, news magazine, an average text book, novel or reference volume.

The hardcopy output of such a system is probably the major problem area at this time. It is no problem where microfilm is acceptable as the final output. Microfilm materials are relatively low cost and

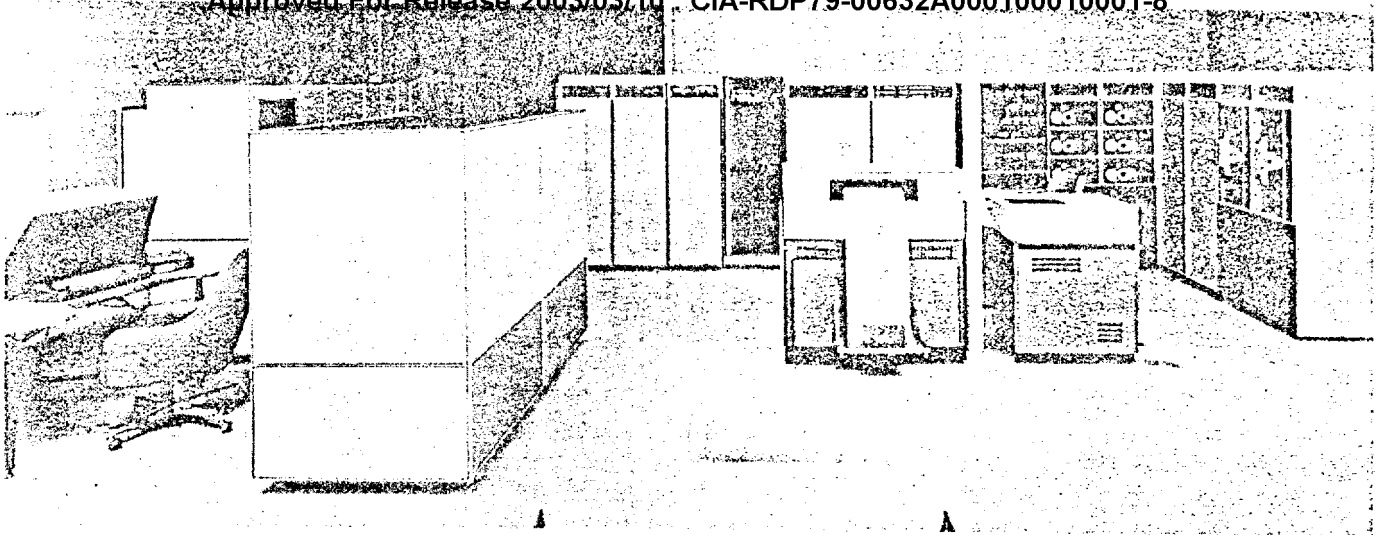
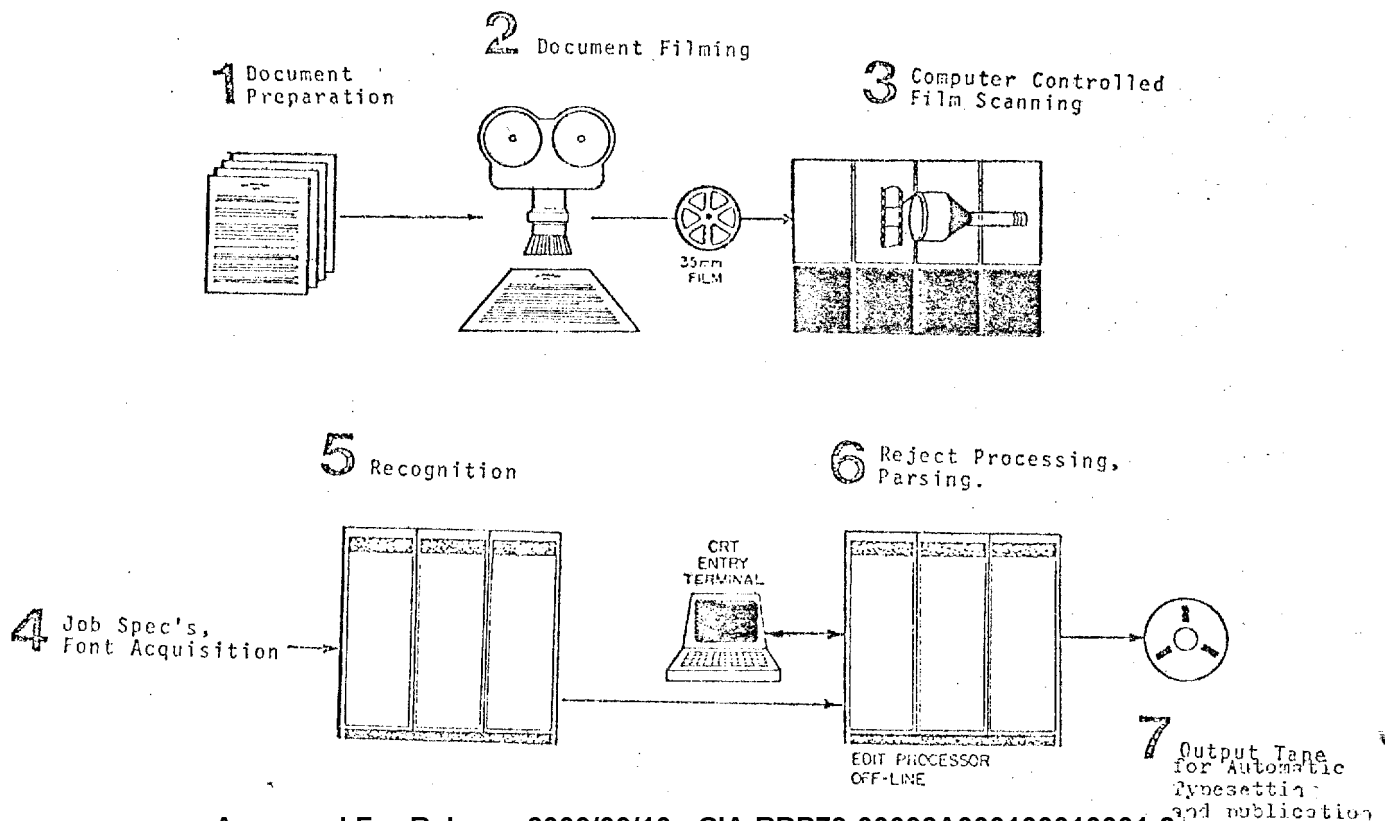


Figure 2. GRAFIX I system handles every phase of an information "recycling" requirement for demand printing: automatic scanning and microfilming of printed, typed and handwritten material; conversion to computer format; computerized revisions, deletions and insertions; and republication of the revised documents.

easy to handle and store. As discussed later, however, microfilm is not likely to be widely accepted for use by the ordinary reader. This means the system is still likely to rely on paper, and paper is getting more expensive and in shorter supply.

No immediate relief from these conditions is at hand because most of the substitutes explored to date use petrochemicals which, these days, are certainly no improvement over wood pulp as far as cost and supply are concerned.

File Conversion with GRAFIX I



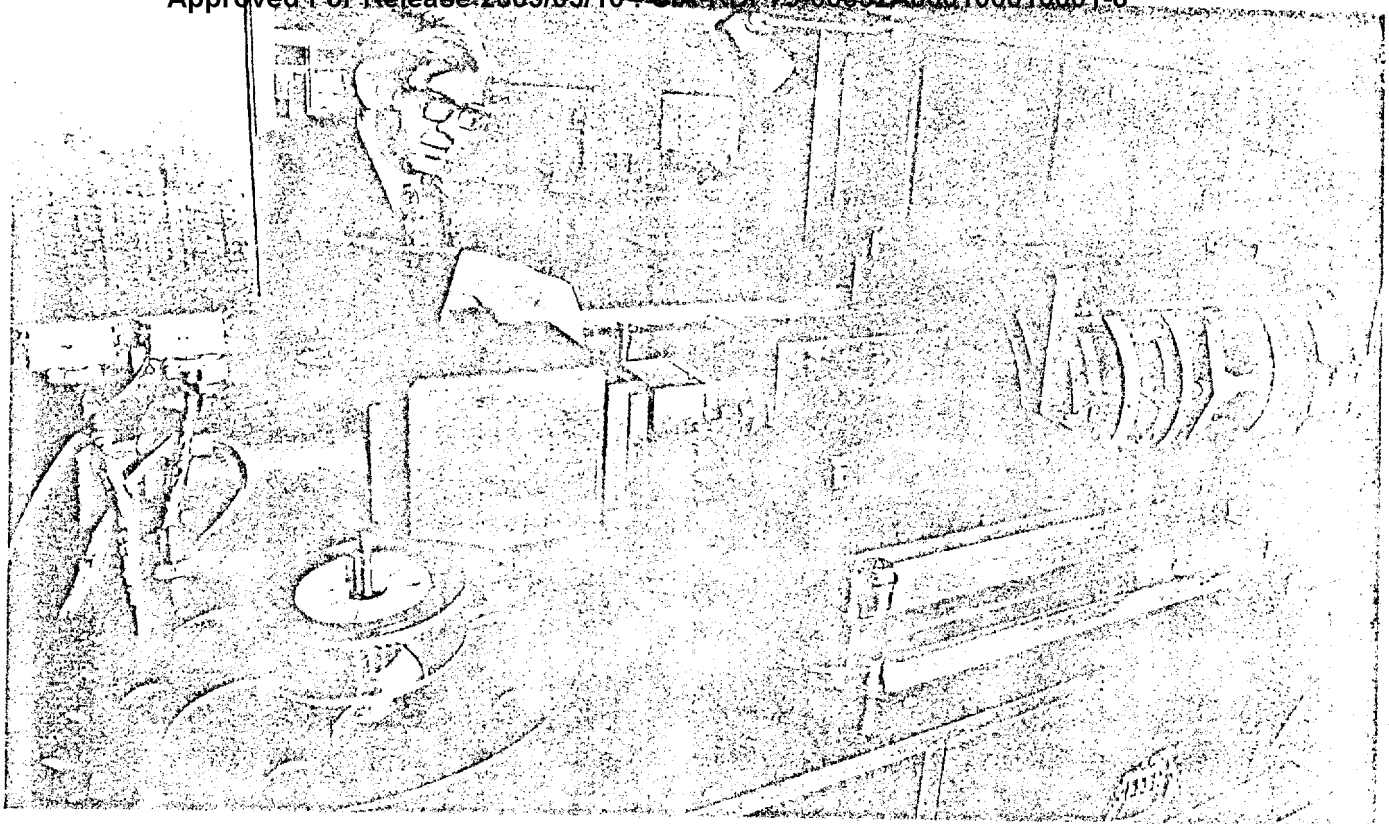


Figure 4. SCANNING. Documents on film are read with the GRAFIX I CRT scanner. The scanner is basically a high precision densitometer which measures the amount of light passed through the film at each point it scans. It is capable of resolving an 8-1/2 x 11 inch page into more than 18 million distinct points — approximately 10 times the resolution of a high quality offset magazine illustration. Under software control, each line or field is identified and "intelligently" scanned. Line by line data is then transferred to the main processing logic.



Figure 5. IDENTIFICATION. The GRAFIX I system scans text character-by-character at high speed. Two computer programs are used to recognize characters (a fast, simplistic program and a slower, highly sophisticated one). If identification by the computer programs fails, the character is displayed in context at an operator terminal for human identification.

Perhaps the most dramatic prospect for demand printing in the near future is what could be achieved in the publication of national news magazines. An experimental system with a very high level of selectivity and reader interaction could be operating within five years and a fully implemented system in no more than seven or eight years after the start of the project. With such a system, it would be possible to print four-color magazine quality under computer control at the same cost as current methods for printing a limited number of editions. Under this system, the reader could express various interests related to both editorial and advertising using something like the bingo card response format common to a number of trade magazines and catalogues.

The reader would then receive an issue of the magazine including editorial content that covers just his areas of interest. Many parts of the magazine could be highly individualized, addressing themselves to local problems and situations.

A computer could select from a very large store of editorial data and advertising, compose pages and print directly in page sequence. Such a computer-based system, doing away with the economies of scale that necessitate large runs of identical editions, would prepare a separate issue directly for each sub-

scriber. A reader could detail his requests for advertising to the point where, for example, he would specify an interest in buying a certain type of automobile. His next issue of the magazine, then, would incorporate ads for autos that interest him.

The result would be enormous personalization and efficiency in the presentation made to the reader. He would get very little editorial copy, or even advertising, that he would reject or skim over.

As a matter of fact, a typical national magazine such as *Time* or *Newsweek* already prepares a good deal more editorial than is ever printed. Stories filled by reporters and bureau chiefs around the world are each week, or each month, reviewed and edited severely. Great masses of information, painstakingly collected, never see print.

A communication network, linking reporters to the editorial staff, and the editorial staff to the individual readers would mean that many more stories filed in the field would reach an interested audience. In fact, the composition of the stories themselves would, very likely, be an interactive process. Specialized editors who need not be in a centralized office could call up copy from various bureaus and individual reporters on a computer display for editing. The editor could ask for new or different information on the spot over the data network. In this way, the editor interacts with the reporter to develop the story almost on-line. When the story was completed and edited, it could be instantly transmitted from the editor's data terminal to the central computer. From there, in turn, it could be extracted, printed and sent to the interested readership.

Under such a system, of course, it is possible for the subscriber to get as much or as little as he wants. This means that the subscription rates would probably not be fixed, but would be computed on a per-page rate — either agreed upon ahead of time and billed accordingly, or supplied in an open-ended manner and billed at regular intervals.

The cost of data transmission can be considerably less than the cost of mailing. Thus, a major concern for publishers is likely to be resolved. Computer printing commands can be transmitted from a central editorial location to local presses around the country or even around the world. This means that the individualized news magazine would be printed near the reader's home and require only local delivery.

Publishers concerned with retaining ad revenues against the competition from television will receive a tremendous boost. It is already true that magazines provide much better and much more detailed demographic information for use by advertisers than other media. With printing on demand, advertisers would be near the ultimate in identifying

target audiences. Also, advertising in a national magazine would no longer be limited to broad consumer and institutional accounts. There is no special problem associated with placing highly selective, geographically localized advertising because ads for each issue would be selected and printed directly for the individual subscriber.

The nature of advertising would change even further. While, no doubt, there would continue to be a place for random advertising — for example, to create a demand where none can be identified or to create a broad base of brand recognition — a good portion of magazine advertising would be aimed at an audience already interested in the product. This means that ads would go beyond graphics and striking headlines and take a form somewhat like a detailed brochure, with specifications and selling points laid out for careful comparison with competitive products.

A system of the type just described for a national magazine could easily be implemented on a modest sized computer such as an IBM 370/155, with standard disc storage units for random access retrieval. Any number of inexpensive data terminals are available for composing information on a CRT display and transmitting it to another terminal or to a central computer. These systems are as easy, or easier, to use than a standard typewriter or teletype. Likewise, computer composition systems exist, such as the Information International VideoComp 800, that can combine the text information stored in a computer with printing commands incorporating headline information, type styles, leading and general layout; the system then combines text with digitized graphics or half-tones to create a fully composed electronic page.

In essence, the VideoComp 800 is a computer-based system that accepts magnetic tape input representing text, tables and illustrations. Under control of an internal processor, the VideoComp compiles this information into electronic pages which are then displayed on a cathode ray tube. A camera system linked to the CRT records the information on a selected photosensitive material. The output can be either paper or microfilm.

All of this is available in hardware. Computer programs will have to be written for the various decision rules needed to combine reader preference information with a selection of pages that will make up the individualized copies of the magazine.

It is not too difficult to imagine how these techniques can be transferred on a smaller scale to a metropolitan newspaper to provide the same kind of highly individualized editions.

The highest level of implementation introduced earlier was the possibility of making the entire library of Congress available to book readers

through local libraries. In concept, this application is even simpler than the individualized magazine. This is true because the selection and composition of each publication would be fixed at the start. Books in the Library of Congress would be stored in computer-readable form the way they were printed. They would reside there as composed electronic pages, ready to be transmitted without further manipulation.

The largest task, obviously, is recording all the publications held in the Library of Congress — or a predetermined selection — into computer-readable form. The task differs only in scope from the University of Montreal example mentioned earlier. A faster version of the Information International GRAFIX I system is already in development and, in fact, could be built today if a government contract were forthcoming. Projects already undertaken indicate that a library the size of the current Library of Congress could be converted to a computer data base in a period of three to four years using about 10 systems like GRAFIX II — as the new system is designated. The 10 systems would also be adequate

even though the Library of Congress is growing at something like an exponential rate.

Linking the Library of Congress data base to a series of local libraries and bookstores through a data network can be implemented in a number of ways using current technology. There is, of course, much to be considered in regard to copyright laws, publishers royalties and the interaction between such a government system and commercial outlets. None of these complications seem unresolvable. Since any computer-based system is likely to be particularly good at accounting, it could be a significant advantage to book retailers and publishers.

Publishers, for example, would no longer have to deal with decisions about printing runs — sometimes coming up short, and other times with considerable excess. Either case results in great expense to the publisher.

As for libraries and retail outlets, many storage and inventory problems would be overcome because books would only be produced for readers who carry them away. Considering advantages to libraries in reduced accounting, billing, purchasing and storage problems for volumes on hand, there is every reason to believe that the local library could provide members a book to keep at no more than the current cost to lend the book.

As mentioned earlier, microfilm would be a lower cost and more convenient medium to use, and it is likely that microfilm will be a necessary intermediate step for most any demand printing system. Nevertheless, for use by a broad readership, a conventional magazine or book is the only thing likely to be acceptable for some time.

Experimentation, even among selected professional audiences, indicates that a microfilm reader or computer display terminal is not adequate for the sort of comfortable and familiar perusing of books, magazines and documents that people are used to.

It is certainly true that microfilm readers can be improved considerably over their current quality. A major step forward would be to create a low-cost commercially available reader that presents a positive, rather than a negative image. In fact, it is within the state-of-the-art to create a microfilm reader with a page quality equivalent to a first-class printed page. It is our judgment that this is a necessary first step for any broad scale acceptance of microfilm as a publishing medium.

Microfilm will not, however, replace the book for some time except for selected uses. The familiarity and convenience of holding a book in one's lap for study, review or entertainment cannot be matched by any microfilm reader in existence or currently under development.

How to destroy microfilm without unwinding it

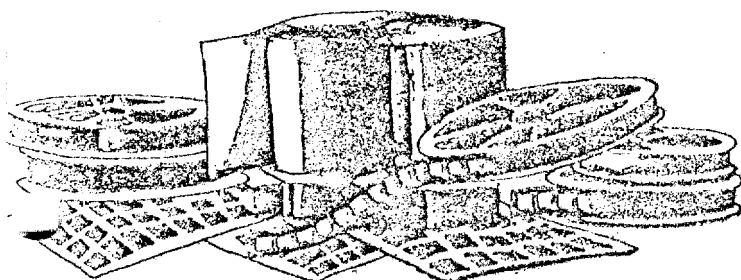
Microfilm on reels, microfiche, unburst computer printouts, bound manuals, crumpled paper, blueprints — you can destroy them all right in your records department with a Security Disintegrator. You just throw them in and they're reduced to miniature confetti in seconds eliminating the fire hazard and massive disposal problem created by shredders that will only destroy a few sheets of paper at a time. For your free Security catalog write or call —



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CIA MANAGEMENT COMMITTEE

1. NAME OF THE COMMITTEE

STAT The CIA Management Committee, originally established by Headquarters Notice dated 14 February 1973, is reconstituted effective _____. The Committee will meet periodically as called by the Chairman or the Secretary. Effective the same date, the Office of the Executive Director-Comptroller previously suspended, is hereby officially abolished.

2. MISSION

The mission of the CIA Management Committee, under the general guidance of the Chairman and the Secretary, is to advise and assist the Director in the discharge of his duties as Head of the Central Intelligence Agency. This will include the review of matters dealing with Agency policies, goals, strategies, and performance, with particular emphasis on the long-range evaluation of the Agency and its capabilities.

3. FUNCTIONS

The functions of the Management Committee will include but not be limited to the following:

- a. Provide general policy guidance on all programs which have a significant impact upon the Agency,

whether from an administrative, technological, analytical or operational standpoint.

- b. Provide advice to the Director on programs where there is a significant financial impact on the organization.
- c. Recommend to the Director and coordinate implementation of policies and directives with respect to resource matters.
- d. Evaluate intelligence production and collection programs, and recommend organizational changes which promote a proper balance of efficiency and security.
- e. Foster long term planning in all aspects of the Agency's activities, particularly in the area of research and development.
- f. Focus on important personnel policies of the Agency, including career planning, rotational assignments, key appointments, and equal employment opportunity.
- g. Review at least on an annual basis all major aspects of the Agency's training program, including language training and executive development.

- h. Provide ad hoc counsel on problems affecting the organization relative to morale, communications, image, cover, security, public relations, and liaison.
- i. Serve as a coordination body and review board concerning programs and activities, as deemed appropriate by the Director.

4. MEMBERSHIP

The CIA Management Committee consists of the Director and Deputy Director of Central Intelligence; the Deputy Directors for Intelligence, Science and Technology, Operations, and Administration; the General Counsel; the Inspector General; and the Comptroller. If members are unable to attend scheduled meetings, their Deputies may substitute for them. Members or their Deputies participate as individuals in all Committee deliberations, not merely as representatives of their own offices.

5. AUTHORITIES

The CIA Management Committee is essentially an advisory body to the Director, and as such has no independent authorities not specifically delegated to it by the Director.

In the absence of the Director and the Deputy Director, the Secretary of the Management Committee acts for the

the Director in exercising his directive and approval authority. In carrying out Committee decisions reached at meetings not attended by the Director, the members will exercise the authorities available to them by virtue of their organizational positions and related delegations of authority.

6. RESPONSIBILITIES

The Director will be the Chairman of the Committee; in his absence the Deputy Director of Central Intelligence will preside. If both the Director and the Deputy Director are absent from a meeting, the Secretary will serve as Chairman.

The Secretary, assisted by the Executive Secretary, is responsible for the agenda and developing and distributing to the members, appropriate preparatory material. The Executive Secretary will ensure that all staff work is complete, accurate, and timely.

The Executive Secretary is responsible for the preparation of minutes of Management Committee meetings. Such minutes constitute the official record of the meetings and specify the officer(s) responsible for ensuring timely execution of decisions reached.

7. PROCEDURES

a. Meetings

The Management Committee will generally meet on Monday of each week immediately following the Director's staff meeting. The Secretary will notify the members promptly in advance of any change in schedule, and may at his discretion call special meetings.

b. Agenda

- (1) Items for the agenda will be submitted to the Secretary in sufficient detail to permit his determination of the appropriateness of the item and with sufficient lead time to permit circulation to the members at least five working days prior to the meeting in which the item is scheduled.
- (2) When the Secretary determines that an item will be placed on the agenda, a Management Committee control number (MCA #) will be assigned to the item. This number will henceforth be associated

with all subsequent papers on the subject, memoranda of records, discussions, actions, etc. resulting from Management Committee deliberations thereto.

- (3) In view of the consultative/advisory role of the Management Committee, some items placed on the agenda may expressly inform, review or otherwise elucidate members on Agency policies, programs, and procedures. In this respect, since no action is presumed, an MCA number will not be assigned the item. If, however, a discussion and/or subsequent events lead to submission of an item on a later agenda, an MCA number will then be assigned with appropriate reference being made to the minutes of the Committee meeting at which the earlier information item appeared.
- (4) The format for the preparation of staff papers relating to agenda items will follow the guidelines outlined in Annex A to this document.

c. Minutes

- (1) The memoranda of record of all Committee meetings prepared by the Secretary will be the historical record of the deliberations of this body and as such will contain a full account of the proceedings. Significant remarks, comments, reservations, etc. of any member pertinent to the discussion of the item under consideration will be recorded in as much detail so as to present a clear understanding of the rationale of the body in reaching a decision or in documenting a member's comments on an advisory issue.
- (2) All minutes will reflect specific actions agreed to by the Committee and in each instance the action component will be indicated.
- (3) Suspense dates for completion of assigned actions, issuing implementing instructions, etc., will be recorded in the official minutes.

The Secretary will insure that follow-up action is taken to insure timely compliance.

- (4) The Executive Secretary will provide staff assistance to the Secretary as outlined in Annex B.

d. Follow-Up

The Executive Secretary will continually review memoranda of records of Committee meetings to keep the Secretary informed of any required follow-up action.

e. File Maintenance

- (1) The Executive Secretary will establish and maintain the official records of the Management Committee to include staff papers submitted as backup to agenda items, minutes of the Committee meetings, communications from the Secretary on follow-up matters, etc. The importance of indexing the minutes of the Committee meetings is underscored. Cross referencing MCA numbers to appropriate documents is essential to providing members capability of fully researching any item or subject brought to the attention of the Management Committee.

- (2) The maintenance of complete and thoroughly indexed files of the Management Committee by the Executive Secretary will preclude the duplication of subject files by individual members and their staffs.

ANNEX A (SAMPLE FORMAT FOR STAFF PAPERS)

MEMORANDUM FOR: Secretary, CIA Management Committee

VIA : (Deputy Director of Central Intelligence,
Executive Secretary, CIA Management
Committee, or both)

FROM : (Title - As Appropriate)

SUBJECT : (As Appropriate)

1. Action Requested: Summarize in a few sentences what it is you wish the addressee to do, i.e., approve a continuing contract, retirement extension, marriage to an alien, etc.

2. Basic Data or Background: Summarize the essential elements of information pertaining to the action.

3. Staff Position: Indicate the approval or position of the Office or Division in your chain of command. ~~Leave a few lines for entry of senior staff comment, i.e., OGC, OLC, IG, Comptroller, D/DGI/IC, etc.,~~

4. Recommendation: (Self-explanatory).

(Name) _____

Deputy Director for (Directorate)

APPROVED : _____

DISAPPROVED: _____

(Date)

Distribution:

Original - Adse (Return to Action Office)

11 - Management Committee Members

2 - DD/A

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1 - Executive Registry

ANNEX B

(DUTIES OF THE EXECUTIVE SECRETARY)

STAT The Executive Secretary whose position was established under HN (24 July 1973 to expire 1 August 1974) is revalidated effective _____ with publication of HN _____, HR _____, this Annex.

In addition to fulfilling the duties and responsibilities of the supervisor of the Executive Secretariat, the Executive Secretary will be the principal staff assistant to the Secretary of the Management Committee. In this capacity, he will provide administrative assistance to the Secretary of the Committee, specifically to include:

- 1) Preparation of draft agendas for Committee meetings.
- 2) Upon approval of the Secretary, distribution of agendas to members.
- 3) Review of staff papers relating to agenda items to insure their conformity with approved format, completeness, and timely distribution to all members prior to Committee meetings.
- 4) Taking minutes of all Committee meetings to reflect fully and accurately deliberations of this body.
- 5) Maintaining a central file of Committee records for use by all members.

6) Properly indexing all documents to insure their prompt retrieval.

7) Assuring adequate safeguards for protection of sensitive files and/or compartmented materials.

8) Advising the Secretary of any pending actions, overdue suspense items, and any other matter that will facilitate the efficiency and effectiveness of the Management Committee.

9) Revising administrative procedures surrounding Committee business that will contribute to the overall smooth functioning of the Committee.

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19 NOV 1974

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Inspector General

SUBJECT: Agenda for Winter Conference

1. Attached is a proposed agenda, for the Winter Conference, based on the items suggested by those who were solicited and on items from the letters of fiscal guidance sent to the Directorates in July. Also attached is a more or less verbatim list of all the issues suggested. Those which have not found their way onto the conference agenda may be good candidates for treatment at future Management Committee meetings.

2. We have organized the agenda into four basic categories reflecting: a) your expressed concerns with the functioning of the Management Committee and the dual role of the DCI; b) my concern with immediate resource problems and with the need to look at both our expenditures and our substantive programs in terms of the Agency's long-range environment; c) your concerns about personnel management; and d) organizational issues.

3. To foster results, we have provided for verbal presentations and/or papers on each topic, although the discussions they engender should be the primary focus of the meetings. Also included are our suggestions on which participants should make the presentations; however, all participants should feel free to make presentations on any of the items. We think a running record should be made of decisions reached or delayed pending further actions. The last half-day of the conference could be used as a wrap-up, to summarize agreements reached and to emphasize the post-conference follow-up required.

END ONLY

4. I suggest that the conference participants remain after the completion of regular business at the next Management Committee meeting to discuss the agenda and to make any necessary adjustments preparatory to forwarding it to the Director.



STAT

JOHN D. IAMS
Comptroller

Attachments: As stated

cc: DDCI
Exec. Secy.

Proposed Agenda for the Winter Conference

I. THE OPERATING ENVIRONMENT, 1975-1980

1. Financial

Verbal presentation by the Comptroller on the fiscal outlook, including projections of likely levels of appropriations for the next five years and discussion of pressing near-term problems. A paper will be circulated in advance.

Verbal report by DDA on results of studies of anti-inflation measures and on progress in instituting cost reduction measures in Agency operations, with emphasis on continuing problems and on proposals for improvement that require senior management decision and implementation.

Verbal reports by DDA and DDI on existing and proposed systems for allocating costs, highlighting the expenses involved in instituting these systems and the actual experiences we have had in applying them.

Results desired:

- Agreement on fiscal ranges within which DDs will submit responses to the Program Call for FY 1977.
- Decisions on issues raised by anti-inflation studies and investigations of systems for allocating costs.

2. Substantive

Presentation by each Deputy Director on the changes he foresees in the world (including the US) in the next five to ten years and the implications of those changes for the programs and structure of his directorate and the Agency as a whole.

A similar presentation by the DCI.

Results desired: Development of a framework within which to make Agency decisions about the future.

II. AGENCY MANAGEMENT

Two talking papers will be circulated in advance:

--A discussion of Agency problems stemming from the dual role of the DCI, prepared by the IG.

--A discussion of the roles, missions and activities of the Management Committee, prepared by the Comptroller.

Results desired: Decisions by the DCI and his Deputies on ways to improve the management machinery.

III. AGENCY ORGANIZATION

1. Post-Audit of Past Actions

A paper, prepared by the Comptroller, on the reorganizations of the last two years--intentions, results, problems encountered, costs--will be circulated in advance.

2. Pending Issues

Reports will be completed and circulated prior to the conference on:

--A single SIGINT support organization (DDO/DDS&T)

--Technical support to agents (DDO/DDS&T)

Verbal presentations by the DDO and DDI on the preliminary results of their investigations of consolidation and reorganization within their Directorates.

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Results desired: Settlement of pending issues and surfacing of new ones.

IV. PERSONNEL MANAGEMENT

A preliminary version of a DDA report on the costs and effectiveness of all personnel and career management practices throughout the Agency will be distributed in advance of the meeting.

Verbal presentation by the IG on employee motivation and morale throughout the Agency.

Results desired: The first steps toward development of Agency-wide personnel management procedures which take into account areas of genuine commonality, yet allow for the unique requirements of the Directorates.

Summary of Suggestions Received

Financial Environment

Costing methodologies for most services will soon be fully developed. Management decision, taking into account overall cost-effectiveness, on instituting charge-back procedures is needed.

STAT will be clarified soon, and senior management should be apprised of the facts and of recommendations of working groups.

With all programs under great financial pressure, thought should be given to reestablishing the R&D Council, at least on a trial basis.

There should be a discussion of inter-Directorate relationships in light of the pressures stemming from competition for resources.

Consideration should be given to establishing a mechanism, such as the ADD group, to deal with personnel and budget cuts in an orderly and equitable manner.

Data processing costs and personnel costs are increasing rapidly; policy guidelines are needed.

Substantive Environment

What is the role of the Agency in economic, resource and technology intelligence in light of their growing importance to national security and Congressional antipathy to Agency involvement.

What is the impact of new legislation on privacy and freedom of information.

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Management - General

The morning meeting is an inadequate forum for managing the Agency.

Many issues require neither Management Committee nor DCI attention, yet there is no real alternative to going to one, the other or both.

Emphasis on relative independence of Deputy Directors leads to lack of cohesiveness and direction in Agency management.

Role of the DCI

The DCI is trying to handle everything, a backbreaking job. He is often bothered with minor matters, because there is no real alternative. Major matters often are handled at lower levels, sometimes in conflicting ways, because of reluctance to impose on his time. Issues reach him before they have been thoroughly studied; he has little opportunity for seeking advice from all components before making decisions. Hence his instructions are often vague, and lack of follow-through leads to confusion, waste and non-fulfillment.

When DCI presides at inter-Agency meetings, there is no vigorous advocate for CIA's legitimate institutional interest and concerns.

There is still apparently no good mechanism for establishing coordinated Agency positions on various matters.

Management Committee

Its charter is unclear. Much of its energy is spent on rather trivial matters. Meetings are difficult to schedule and some topics have been on the agenda for months. DDS&T lacks equal representation, because the Secretary leans over backward to be fair.

There should be a post-audit of the various organizational changes of the past two years to determine whether they accomplished the anticipated objectives.

Personnel

Agency has committed itself heavily to a number of personnel programs, such as PASG, PDP, APP, and EEO. Consider their total costs to the Agency.

The Annual Personnel Plan gets little serious attention or real use; many believe it a great waste of time.

Determination of the attitudes of personnel toward the new management and budgeting systems.

Rotation of senior personnel remains difficult and unplanned.

A better mechanism is needed for developing properly trained senior managers.

Middle management levels lack commitment to stated DCI goals in EEO. Black program is a failure; meeting Civil Service goals will require lowering our standards. Program for advancement of women has been unproductive.

Other

What KIQA are and what they are supposed to achieve.

Identification of elements moving out of Headquarters building.

Advisability of constructing a new building to accommodate all employees in Langley.

DD/A 74-4310

MEMORANDUM FOR: Comptroller

SUBJECT : Winter Conference

1. Reference is made to your recent request for a preliminary listing of appropriate items to be considered at the Winter Conference scheduled at for 15-17 February 1975.

2. This is to advise that the following issues are felt to be of significant importance to Agency management, and would warrant a full exchange of views by all participants:

a. The CIA Management Committee

The Agency Management Committee has been in existence since February 1973, and has considered over one hundred agenda items. It appears that some reasonable self-examination would be in order to determine how well the management machinery is operating, and to solicit views on how procedures might be improved.

b. Costing Methodologies

In accordance with established MBO objectives, the Offices in this Directorate are deeply involved in developing costing methodologies for the services that are provided. OJCS now has a facility to cost out computer support to our users, and other Offices will have comparable programs by the end of this calendar year. Considering overall cost effectiveness for the Agency, a management decision should be forthcoming on whether to institute a charge back procedure for various categories of support.

c. OJCS Expansion

Since 1965, the cost of Agency data processing has tripled; the number of people involved in data processing has about doubled; and there is a definite trend toward centralization in the computer field. There is an information processing explosion, and this would seem to be an excellent time to focus on the problem, and possibly develop reasonable Agency policy guidelines.

d. Personnel/Budget Cuts

Present indications are that personnel and financial resources will be tight for some time, and continued cuts might reasonably be expected. It is suggested that some consideration might be given to establishing a mechanism, such as the AUD group, in order to attack the problem in an orderly and equitable manner.

e. Personnel Development Costs

Since the submission of the report of the Personnel Approaches Study Group in November 1973, the Agency has committed itself heavily to a number of personnel oriented programs, such as PASG, PDP, APP, and EED. It would seem prudent at this time to take a hard look at the total costs to the Agency for these personnel management programs.

f. New Agency Building

The point has been made that we hope one day to house all of our employees in the Headquarters complex. This might present problems, but there are obviously numerous administrative difficulties with the present arrangement, having units scattered about the Washington metropolitan area. It is not too early to focus on the long-range situation, and develop some preliminary thinking on the advisability of constructing a new Agency building to accommodate all employees in Langley.

g. Privacy and Freedom of Information

We have not yet felt the full impact of new legislation relating to privacy and "freedom of information." Although we are in a fluid situation, with possible changes between now and February 1975, it is believed that there should be a comprehensive briefing on this issue so that senior Agency management has a full appreciation and understanding of the overall costs and other effects.

h. Financial Relations with the State Department

Working groups are giving increased attention to our financial relationships with the Department of State in terms of slots, overseas support, and costing procedures. We will have a clearer picture of the situation in the next few months, and it would be worthwhile to bring to the attention of senior management the results of these studies, and the recommendations contained therein.

i. Research and Development Council

In previous years, the Agency had a Research and Development Council, with appropriate representation and input from all four Directorates. The machinery appeared to have worked quite well, providing close coordination at the Associate Deputy Director level. At a time of shrinking resources when all programs are being closely scrutinized, it is felt that some thought might be given to reestablishing the R&D Council, certainly on a trial basis.

3. Quite obviously, this package of proposals was pulled together on an expedite basis, as a preliminary "think piece" four months in advance of the scheduled conference. The basic issues seem to warrant attention at this time, but the concepts might have to be refined or expanded.

John F. Blake
Deputy Director
for
Administration

STAT EO-DD/A: [] :kmg (1 Nov 74)

Distribution:

Orig - Adse

1 - DD/A Chrono

1 - DD/A Subject w/background (DD/A 74-4238, -4286)

1 - JFB Chrono

DD/A 74-4238: Memo dtd 24 Oct 74 to DD/A fr Compt, subj: Winter Conference
DD/A 74-4286: Memo dtd 30 Oct 74 to DD/A fr D/Pers, subj: DCI Management
Conference

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Plans and Programs

1. FINANCIAL APPROVALS SYSTEM

a. GENERAL:

- (1) The preparation of plans and programs within the Agency is inseparable from the formulation of the budget. The budget is in fact a translation of plans and programs in terms of manpower, materiel, and money. As such it is a central artery of management control.
- (2) The process of budget submissions and reviews, which culminates in an appropriation from Congress, enables successive levels of management to tie together program planning, budget formulation, and program execution; to assess past performance and future requirements; and ascertain priorities and make recommendations through the chain of command regarding distribution of resources.

b. DEFINITIONS

- (1) Current Year - The Current Fiscal Year (July through June).
- (2) Budget Year - The Fiscal Year which will follow immediately after the Current Year.

~~ADMINISTRATIVE INTERNAL USE ONLY~~

ADMINISTRATIVE INTERNAL USE ONLY

- (3) Program Year - The Fiscal Year which will follow immediately after the Budget Year.
- (4) Program Plan - The estimate of an Operating Official or Head of Independent Office of the resources (money and manpower) he will need to perform his assigned functions during the Program Year. The Plans describe in some detail how the responsible officers expect to utilize the resources requested. The aggregation of all these individual plans is the Agency Program Plan.
- (5) Operating Plan - A refined and up-dated revision of the Program Plan, submitted by an Operating Official or Head of Independent Office for final approval just before the beginning of the Budget Year. Operating Plans once approved are the basis for allotments of funds and allocations of manpower ceilings. The aggregation of all these individual plans is the Agency's Operating Plan.
- (6) OMB Budget - The formal request for funds for the Program Year, based upon the Program Plan and prepared by the Comptroller for submission to the Office of Management and Budget.

ADMINISTRATIVE INTERNAL USE ONLY

ADMINISTRATIVE INTERNAL USE ONLY

- (7) Congressional Budget - The approved budget for the Budget Year, based upon the OMB Budget and the basis for fiscal and personnel ceilings for the Agency for the Budget Year.

c. PROGRAM PLANS

- (1) The first step in the budget cycle for any given Fiscal Year (FY) takes place approximately fifteen months before the FY begins. (Thus in the spring of 1974 work began on the budget for FY 1976, to begin in July 1975.) Major components prepare Program Plans following instructions issued by the Office of the Comptroller and covering anticipated resource requirements for the fiscal year, comparing these requirements with those of the two preceding fiscal years.
- (2) During the summer months, these estimates are reviewed by the Director of Central Intelligence, revised as necessary, and subsequently developed in detail in coordination between the Office of the Comptroller and the submitting components. The resulting budget is then submitted to the Office of Management and Budget (OMB).
- (3) During the autumn, OMB analyzes this proposed budget in context with previous Agency budgets and with prevailing

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Government-wide fiscal policies, holding hearings as necessary to augment the information provided in the budget. After making the changes it deems appropriate, OMB includes the Agency's resource requirements in the President's Budget.

d. OPERATING PLANS

- (1) Because the Congressional Budget is based on Program Plans prepared long before the beginning of a fiscal year, it is necessary to review the budget shortly before the fiscal year begins, updating it as necessary to reflect current conditions and costs. These revised data are incorporated into Operating Plans, which describe activities or functions to be carried out and the resources needed for their performance. Once approved by the Director of Central Intelligence, the Agency Operating Plan becomes the basis for program execution and control, governing the Agency's use of its resources during the fiscal year to which it pertains.
- (2) Operating Plans will be formulated in the spring by the major components of the Agency, in accordance with instructions issued by the Office of the Comptroller. Formulation of the Operating Plan for the coming fiscal year is accomplished simultaneously with the Program Plan for the following fiscal year. (Thus the Operating Plan for FY 1975 and the Program Plan for FY 1976 were prepared jointly during the closing months of FY 1974.)

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~~ADMINISTRATIVE-INTERNAL USE ONLY~~

- (3) Operating Plans prepared by the major components of the Agency will be reviewed by the Office of the Comptroller in connection with the budget review as noted above. The Plans will then be submitted to the Director of Central Intelligence for review and approval.

e. PROGRAM EXECUTION

- (1) Once the Director has made decisions on the level of resources to be allocated to each major component, the Comptroller will issue allotments. Approval of a component's Operating Plan and allotment of funds within the levels established by the approved Plan constitute an Operating Official's authority to obligate funds in conformance with that Plan. No further Agency-level approval will be required except for a notification to the Director of Central Intelligence of imminent action on selected activities as outlined in subparagraph f, below.
- (2) When in the judgment of the responsible Operating Official changing circumstances require a change in the resources allocated to an activity or function, he may reprogram the resources allotted to him. If such reprogramming involves a significant amendment to the approved Operating Plan, he will report the change to the Deputy Director concerned and to the

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- Comptroller. If the Operating Official can not identify the required resources from within his own allotment, he will submit a request for reprogramming to the Comptroller through the appropriate Deputy Director, who will indicate in his transmittal whether the needed resources are available in his directorate, or whether the Comptroller is being asked to find the funds. The Comptroller will weigh each request for reprogramming against the known requirements of other directorates and the Agency as a whole before approving the request. In cases involving major changes in Operating Plans, and in all cases involving \$500,000 or more, the Comptroller will consult the Management Committee prior to approving the request.
- (3) The Comptroller will monitor all Operating Plans on a post-audit basis and will watch the application of resources as reported monthly in the Agency's accounting systems. He is authorized to make inquiries about the use of resources and to advise the Deputy Directors and the Management Committee of new requirements or of situations which may make necessary the amendment of existing Operating Plans to ensure availability of Agency resources for high priority requirements.

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f. SPECIAL CONSIDERATIONS

- (1) Certain categories of Agency endeavor may be approved in principle in Operating Plans but must nevertheless be brought specifically to the attention of the Comptroller shortly before action. The Comptroller may in turn refer such issues to the Management Committee for review. These categories involve:
 - (a) Politically sensitive projects, carrying a significant risk of causing embarrassment to the U.S. Government in general or to the Agency in particular. Approval by the National Security Council of politically sensitive activities will fulfill this requirement.
 - (b) Major contractual agreements undertaken on behalf of and funded by other agencies.
 - (c) Real property transactions which have the potential for raising security, political or operational difficulties.
 - (d) Other individual transactions involving more than \$500,000.
- (2) When an Operating Official is about to take action on a politically sensitive project or a major contractual agreement, a real property transaction, or an individual transaction involving more than \$500,000 previously approved in an Operating Plan, he should submit a Notification of Imminent Action through the Deputy Director concerned to the Comptroller. The Notification,

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which should reach the Comptroller not later than five working days before action is to take place, is designed to ensure that no important commitments are made until there has been an opportunity to review the matter in the light of circumstances which may have changed in the interval since the Operating Plan was approved. In emergency situations notice may be given informally to the Comptroller.

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Note:

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d. OFFICE OF THE COMPTROLLER

(1) Mission. The Comptroller is responsible for the development, implementation and administration of the systems by which the Agency plans for its resource requirements, budgets to meet those requirements, and controls the resources obtained through the budgeting process.

(2) Functions. The Comptroller will

- (a) develop, coordinate and oversee the Agency's program-planning and resource allocation processes;
- (b) collect the data for, prepare and administer the Agency budget;
- (c) assist the Management Committee and the Director of Central Intelligence in carrying out their responsibilities for resource management;
- (d) develop and monitor the implementation of the Agency's systems for organizational performance evaluation and for management by objectives, and write the Agency's annual reports concerning these systems;

(e) provide such special staff support as may be requested by the Management Committee and the Director of Central Intelligence;

(f) control Agency relationships with the Office of Management and Budget in accordance with HR and

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(g) approve requests for reprogramming funds from one allotment to another, subject to advice and guidance from the Management Committee as provided in HR

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(3) Organization. See organization chart, figure 2.

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c. THE MANAGEMENT COMMITTEE

- (1) The Management Committee consists of the Director and the Deputy Director of Central Intelligence, the Secretary, the Deputy Directors for Intelligence, Science and Technology, Operations, and Management and Services, the General Counsel, the Inspector General and the Comptroller. If members are unable to attend scheduled meetings, their Deputies may substitute for them. Members or their Deputies participate as individuals in all Committee deliberations, not merely as representatives of their offices. The role of Secretary may be assumed by any of the other members of the Committee at the discretion of the DCI.
- (2) The DCI will be the chairman of the Committee, but in his absence from a meeting the DDCI will preside. If both the DCI and the DDCI are absent from a meeting, the Secretary will serve as chairman.
- (3) The Management Committee will meet periodically as called by the Director or the Secretary to review matters dealing with Agency policies, goals, strategies, and performance with

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ADMINISTRATIVE INTERNAL USE ONLY

particular emphasis on organizational and resource management issues and policies and on the long-term evaluation of the Agency and its capabilities. Any member of the Committee may request that an item of business be considered by the Committee.

- (4) The Secretary will develop the agenda for meetings and will prepare the official record of all decisions reached, specifying the officer(s) responsible for ensuring timely execution of those decisions. This record will be the only one maintained, and the deliberations of the Committee will not otherwise be recorded or publicized.
- (5) In carrying out Committee decisions reached at meetings not attended by the DCI, the members will exercise the authorities available to them by virtue of their organizational positions and related delegations of authority. As appropriate and necessary, the Committee may refer cases to the Director with their recommendations.
- (6) In the absence from the Agency of the Director and the Deputy Director, the Secretary of the Management Committee acts for the Director in exercising his directive and approval authority.

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OGC 74-0903

30 May 1974

MEMORANDUM FOR: Mr. Bruce Johnson, Office of Comptroller

SUBJECT : Proposed Headquarters Regulations (HR)

[REDACTED]

STAT

Bruce:

1. As you requested, I have examined the drafts of your proposed regulations which would establish the CIA Management Committee (MC) and the Office of the Comptroller, and which would revise HR [REDACTED] (Plans and Programs). I think they are excellent. There are, however, a couple of points which should be raised concerning them.

STAT

2. My first comment concerns delegation of authority and the chain of succession. We feel that if the Secretary of the Committee is to exercise the DCI's approval and directive authority, that something more formal than your statement is required. This statement may not need to be a part of the MC regulation. It could perhaps be included in HR [REDACTED] wherein the DCI delegates certain authority to the DDCI. John Warner tells me that at one time the Agency had emergency plans which set forth a chain of succession. Perhaps these plans still exist. If so, they will have to be amended. All this could, of course, be easily dealt with by amending HR [REDACTED] to provide that the Secretary is the third ranking officer in the Agency. This regulation could also set forth whatever additional chain of succession the DCI may want. The DCI could then delegate to the Secretary, etc., the authority to manage the Agency in case of the disability or absence of the DCI and DDCI. In instances where the DCI and DDCI are neither disabled nor absent (i.e., simply not present at a MC meeting) certain limited authority could be delegated to the Secretary to make and implement certain types of decisions.

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3. You and I discussed the authority of the Secretary and the MC. While I indicated I agreed with your approach to this problem, John Warner has suggested that you try to specify the authority of the MC and submit a paper to the MC for its consideration. John also believes that the chain of succession and delegation of authority should be set forth in a regulation.

STAT 4. Finally, I have a question concerning proposed HR This subparagraph states that "/n/o further Agency-level approval /to obligate funds/ will be required...." I wonder if this is really correct. Sprinkled throughout our regulations are requirements for approvals for allotments/expenditures of funds at levels higher than that of Operating Officials. Perhaps the proposed regulation should read, "Except as otherwise provided in Agency regulations, no further Agency-level approval will be required...."

Office of General Counsel

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C-O-N-F-I-D-E-N-T-I-A-L

This Notice Expires 15 February 1974

ORGANIZATION

HN ☐ 25X1

14 February 1973

ORGANIZATION CHANGE

1. The CIA Management Committee is established, effective 15 February 1973. Membership will be as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Executive Secretary: Mr. William E. Colby
Members : Mr. Thomas H. Karamessines
Mr. Carl E. Duckett
Mr. Edward W. Proctor
~~Mr. John W. Coffey~~
Mr. Harold L. Brownman (per HN ☐ 25X1)

2. The Management Committee will meet periodically as called by the Chairman to review and recommend to the Director matters dealing with organizational issues and intelligence resource policy. Members will participate as individuals in all Committee deliberations, and not merely represent their offices. The Executive Secretary of the Committee will ensure timely execution of the Director's decisions and is responsible for the agenda and developing and circulating to the Members appropriate preparatory material.

3. Examples of subjects which will be submitted to the Executive Secretary for inclusion on the agenda, or other disposition as appropriate, are:

Policy Directives
Production Programs
Evaluation Reviews
Senior Appointments
National Security Council Actions and Reserve Releases
Organizational Changes
Annual Program, Budget and Report
Periodic Comptroller Report
Annual Reports of R&D Board, Training Board of Visitors, etc. 25X1

C-O-N-F-I-D-E-N-T-I-A-L

ILLEGIB

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This Notice Expires 1 October 1974

ORGANIZATION

HN ☐

STAT

4 September 1974³

ORGANIZATION CHANGE

STAT

Rescission: HN ☐ dtd 14 February 1973

1. The CIA Management Committee is reconstituted effective 4 September 1973 with membership as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Secretary : Mr. Carl E. Duckett
Members : ~~Mr. Carl E. Duckett~~ *DDST*
 ~~Mr. Edward W. Proctor~~ *DDI*
 ~~Mr. Harold L. Brownman~~ *DDM45*
 ~~Mr. William E. Nelson~~ *DDO*
 ☐ *DDI/C*
 ~~Mr. Lawrence R. Houston~~ *Gen'l Coun*
 ~~Dr. Donald F. Chamberlain~~ *CG*

STAT

Put #4 here as continuation of #1

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the Committee, the Secretary may seek resolution of management issues through individual discussions with the concerned members. *Secretary* ~~who~~ *will* be supported by the Executive Secretariat, ~~who~~ *will* receive items for Management Committee action, assist in developing agenda, circulate related papers, and record the minutes of meetings.

25X1

Management Committee ~~Management Committee~~ 3. Examples of subjects which will be submitted to the Executive Secretariat, ~~CIA~~ for inclusion on agenda, or for other disposition as appropriate, include:

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25X1

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Policy Directives;
Production Programs;
Evaluation Reviews;
Senior Appointments;
Organizational Changes;
Annual Program, Budget and Report;
Reserve Releases;
Periodic Comptroller Report;
Annual Reports of R&D Board, Training Board of Visitors,
et cetera and other reports of like nature previously submitted to the Executive Director Comptroller.

now to R 4. In the event members are unable to attend scheduled Committee meetings, their Deputies may attend.

W. E. Colby
Director

Distribution: AB

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21 August 1973

Executive Registry

73-5142

HN

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ORGANIZATION CHANGE

RESCISSION: HN [] 14 FEB 1973

1. HN [] dated 14 February 1973 is rescinded. The CIA Management Committee is reconstituted effective 4 Sept 73 with membership as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Secretary : Mr. Carl E. Duckett
Members : Mr. Carl E. Duckett
Mr. Edward W. Proctor
Mr. Harold A. Brownman
Mr. William E. Nelson
Mr. Lawrence R. Houston
Dr. Donald Chamberlain

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the committee, the

Secretary may be ~~instructed by the Director to~~ seek resolution of management issues through individual discussions with the concerned members. He will be supported by the Executive Secretariat, who will receive items for Management Committee action, assist in developing agenda, circulate related papers, and record the minutes of meetings.

3. Examples of subjects which will be submitted to the Executive Secretary, CIA for inclusion on agenda, or for other disposition as appropriate, include:

- Policy Directives
- Production Programs
- Evaluation Reviews
- Senior Appointments
- Organizational Changes
- Annual Program, Budget and Report
- Reserve Releases
- Periodic Comptroller Report
- Annual Reports of R&D Board, Training Board of Visitors, etc.

4. In the event members are unable to attend scheduled Committee meetings, their Deputies may attend.

WEC
DIRECTOR

AB

Effective 4 September 1973, the Office of Executive Director-Comptroller, previously suspended, was abolished. *planning, programming and budgeting and the CIA Historical Staff*
The Comptroller functions of the Office have been assigned *(See [redacted] 26 April 1973)*
to the Deputy Director for Management and Services. *(See [redacted] July 1973)* Remaining
functions of the Office have been assigned to the CIA Management Committee. *(See [redacted] July 1973)*

STAT

STAT

1. Effective *4 September 1973* the same date, the CIA Management Committee was reconstituted as follows:

Chairman	Director of Central Intelligence
Vice Chairman	Deputy Director of Central Intelligence
Secretary	Mr. Carl E. Duckett
Members	Deputy Director for Intelligence Deputy Director for Management and Services Deputy Director for Operations Deputy Director for Science and Technology Deputy to the DCI for the Intelligence Community General Counsel Inspector General

If members are unable to attend scheduled meetings, their Deputies may substitute for them.

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the Committee, the Secretary may seek resolution of management issues through individual discussions with the concerned members.

ILLEGIB

STAT 3. The Secretary will be supported by the ^{Executive} Management
(See HM late July 1973)
Committee Secretariat. The Secretariat will receive items
for Management Committee action, assist in developing agenda,
circulate related papers, and record the minutes of meetings.

4. Examples of subjects which will be submitted to the
Secretariat for inclusion on agenda, or for other disposition
as appropriate, include:

Policy Directives; Production Programs; Evaluation Reviews;
Senior Appointments; Organizational Changes; Reserve
Releases; Periodic Comptroller Report; Annual Program,
Budget and Report; Annual Reports of R&D Board, Training
Board of Visitors, and other reports of like nature
previously submitted to the Executive/Director-Comptroller.

x

W. E. Colby
Director

STAT

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ORGANIZATION

This Notice Expires 1 October 1974

HN

October 1973

STAT

ORGANIZATION CHANGE

Rescission: HN , dtd 14 February 1973

1. Effective _____, the CIA Management Committee was reconstituted as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Secretary : Mr. Carl E. Duckett
Members : Deputy Director for Intelligence
Deputy Director for Management and Services
Deputy Director for Operations
Deputy Director for Science and Technology
Deputy to the DCI for the Intelligence Community
General Counsel
Inspector General

If members are unable to attend scheduled meetings, their Deputies may substitute for them.

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the Committee, the Secretary may seek resolution of management issues through individual discussions with the concerned members.

3. The Secretary will be provided administrative support by the Executive Secretariat (see HN dated 24 July 1973). The Secretariat

will receive items for Management Committee action, assist in developing agenda, circulate related papers, and record the minutes of meetings

4. Examples of subjects which will be submitted to the Secretariat for inclusion on the agenda, or for other disposition as appropriate, include:

Policy Directives; Production Programs; Evaluation Reviews; Senior Appointments; Organizational Changes; Reserve Releases; Monthly Comptroller Report; Annual Program Budget and Report; Annual Reports of R&D Board, Training Board of Visitors, and other reports of like nature previously submitted to the Executive Director-Comptroller.

STAT 5. Effective _____, the Office of Executive Director-Comptroller (see HR ☐, previously suspended, was abolished. The Comptroller functions of the Office and the CIA Historical Staff have been assigned to the Deputy Director for Management and Services (see HN ☐ dated 30 April 1973). Remaining functions of the Office have been assigned to the CIA Management Committee. In addition, the Office of Planning, Programming, and Budgeting is herewith abolished and replaced by the Office of Resources Management (ORM), reporting to the Deputy Director for Management and Services as Comptroller. STAT

6. The Deputy Director for Management and Services will report to the Management Committee as Comptroller.

W. E. Colby
Director

Distribution: AB

MEMORANDUM FOR: HLB



HN ☐ re Mgmt Committee is due to expire. Are we going to reissue or update? I have attached the last two rewrites which were left with Mr. Colby before creation of the Comptroller office and abolishment of PPB. Perhaps you could discuss this with him at tomorrow's meeting also to see what he desires.

j.

(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

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ORGANIZATION This Notice Expires 1 October 1974

HN

STAT

7 September 1973

ORGANIZATION CHANGE

STAT

Rescission: HN , dtd 14 February 1973

1. Effective 4 September 1973, the CIA Management Committee was reconstituted as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Secretary : Mr. Carl E. Duckett
Members : Deputy Director for Intelligence
Deputy Director for Management and Services
Deputy Director for Operations
Deputy Director for Science and Technology
Deputy to the DCI for the Intelligence Community
General Counsel
Inspector General

If members are unable to attend scheduled meetings, their Deputies may substitute for them.

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the Committee, the Secretary may seek resolution of management issues through individual discussions with the concerned members.

3. The Secretary will be supported by the Executive Secretariat (see HN , dated 24 July 1973). The Secretariat

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will receive items for Management Committee action, assist in developing agenda, circulate related papers, and record the minutes of meetings.

4. Examples of subjects which will be submitted to the Secretariat for inclusion on agenda, or for other disposition as appropriate, include:

Policy Directives; Production Programs; Evaluation Reviews; Senior Appointments; Organizational Changes; Reserve Releases; Periodic Comptroller Report; Annual Program Budget and Report; Annual Reports of R&D Board, Training Board of Visitors, and other reports of like nature previously submitted to the Executive Director-Comptroller.

5. Effective 4 September 1973, the Office of Executive Director-Comptroller (see HR , previously suspended, was abolished. The Comptroller functions of the Office and the CIA Historical Staff have been assigned to the Deputy Director for Management and Services (see HN dated 30 April 1973). Remaining functions of the Office have been assigned to the CIA Management Committee.

STAT

STAT

W. E. Colby
Director

Distribution: AB

Distribution:

Orig - RCS (via PSD)

☒ - ER

☒ - M&S Subject (RCS)

1 - M&S Chrono

DD/M&S/BEvans:jmh: (4 Sept 1973)

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ORGANIZATION CHANGE

STAT

1. HN dated 14 February 1973 is rescinded. The CIA Management Committee is reconstituted effective _____ with membership as follows:

Chairman : Director of Central Intelligence
Vice Chairman : Deputy Director of Central Intelligence
Secretary : Mr. Carl E. Duckett
Members : Mr. Carl E. Duckett
 Mr. Edward W. Proctor
 Mr. Harold O. Brownman
 Mr. William E. Nelson
 Mr. Lawrence R. Houston
 Dr. Donald Chamberlain

2. The Management Committee will meet periodically to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy. The Secretary of the Committee is responsible for developing the agenda and ensuring timely execution of decisions reached by the Committee. In special circumstances or when the urgency of a situation precludes a meeting of the committee, the

Secretary may ~~be instructed by the Director to~~ seek resolution of management issues through individual discussions with the concerned members. He will be supported by the Executive Secretariat, who will receive items for Management Committee action, assist in developing agenda, circulate related papers, and record the minutes of meetings.

3. Examples of subjects which will be submitted to the Executive Secretary, CIA for inclusion on agenda, or for other disposition as appropriate, include:

Policy Directives

Production Programs

Evaluation Reviews

Senior Appointments

Organizational Changes

Annual Program, Budget and Report

Reserve Releases

Periodic Comptroller Report

Annual Reports of R&D Board, Training Board of Visitors, etc.

4. In the event members are unable to attend scheduled Committee meetings, their Deputies may attend.

MEMORANDUM FOR: Mr. Colby

Bill:

Per our conversation yesterday, here is a redraft of the Management Committee paper along the lines you suggested. The added statement that we discussed appears in the last sentence of the first page.

Donald Steininger

21 Aug. 73
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

MEMORANDUM FOR: Mr. Colby

This looks just great to me!

08/24/73
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

ORGANIZATION CHANGE

STAT

1. HN dated 14 February 1973 is rescinded. The CIA Management Committee is reconstituted effective _____ with membership as follows:

Chairman : Director of Central Intelligence

Vice Chairman : Deputy Director of Central Intelligence

Secretary : Mr. Carl E. Duckett

Members : Mr. Carl E. Duckett
Mr. Edward W. Proctor
Mr. Harold O. Brownman
Mr. William E. Nelson
~~Major General Lew Allen, Jr.~~
Mr. Lawrence R. Houston

Dr. Donald Chamberlain

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2. The Management Committee will meet periodically ~~as called by~~ the ~~Chairman~~ to review and make recommendations to the Director on matters dealing with organizational issues and intelligence resource policy.

The Secretary of the Committee is responsible for developing agenda ~~with~~

~~the Director~~ and ensuring timely execution of decisions reached by the

Committee. He will be supported by the Executive Secretariat, who will

receive items for possible Management Committee action, assist ~~him~~ in developing agenda, circulate related papers, and record the minutes of meetings.

3. Examples of subjects which will be submitted to the Executive Secretary, CIA, for inclusion on agenda, or for other disposition as appropriate, include:

Policy Directives

Production Programs

Evaluation Reviews

Senior Appointments

Organizational Changes

Annual Program, Budget and Report

~~National Security Council Actions and~~ Reserve Releases

Periodic Comptroller Report

Annual Reports of R&D Board, Training Board of Visitors, etc.

4. In the event members are unable to attend scheduled Committee meetings, their Deputies ^{7 (under 7.)} will attend.

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ODA 74-4121

COMPT

17 MAY 1974

MEMORANDUM FOR: Secretary, Management Committee

SUBJECT: Clarification and Codification of Agency
Resource Allocation System

1. The elements which together form the Agency's management process and the relationships among these elements have been materially altered during the past two years. Recognizing that there must be room for continual revision and development, we nevertheless believe that it is now time to recommend some codification of these changes as well as one or two further changes. We believe that adoption of the draft regulation proposed here will make an important contribution to wider understanding of how the Agency is managed, and of what is expected at several management levels.

2. The one change which is central to all others in the evolution of the Agency's management process was the suspension of the position of Executive Director-Comptroller and the concurrent establishment of the Management Committee. It is apparent that the Agency as a whole is still trying to find ways to operate without a "Chief of Staff" as the Executive Director was called in HR [redacted]. Many steps taken in recent months have been in effect designed to provide a number of substitutes for the once central figure of "Chief of Staff." We do not believe there was ever any intention to make the Management Committee a corporate "Red" White, but it is clear that some of the functions he once performed devolved on the Committee. Although Mr. Colby gave us a brief description of the Committee's consultative role in his memorandum of 5 November 1973 on the subject of Agency organization, exactly which authorities were transferred to the Management Committee remains somewhat unclear.

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3. In that same memorandum, the Director established the Office of the Comptroller, giving it unspecified responsibility over resource utilization and over performance evaluation, and he indicated that the Comptroller would make monthly reports to the Management Committee.

Working Copy

When Finished

That charge and my membership on the Committee have become the basis for the close working relationship which is developing between the Comptroller, the Secretary of the Management Committee, and the Committee itself. But I am concerned that we are not really chartered to transact business in precisely the manner we have adopted.

4. In examining the way the Committee has functioned, we have concluded that it has served as an effective forum for discussion and resolution of many relatively minor and of some decidedly important problems. It has also, apparently, been able to reduce the DCI's workload somewhat by refining issues so that when presented they specify to the Director where exercise of his authority is needed. The Committee has also encouraged wider discussion of some issues. We believe, however, that it is time to raise our expectations about the Committee and its responsibilities and to demand more of it.

5. A review of Management Committee agenda items for the last few months suggests that the issues have been of three basic types: first, those which are fairly directly resource related and generally the responsibility of the Comptroller; second, those primarily related to administrative policy (such as the parking policy question, office space requirements, energy conservation, official entertainment in the Executive Dining Room, private foreign travel of CIA employees, retirement policy, and bigot lists); and third, those which might be called managerial issues (examples might include the location and structure of the CIA Operations Center and the Annual Personnel Plan). The examples cited are not of equal significance, but all three types of issues seem appropriate for Management Committee review in that they all have potential impact on the Agency as a whole. Of the three categories, the one with which this Office has the most direct relationship and the one in which its function as a partial substitute for the Executive Director is clearest is, as noted above, the one having to do with resources. We believe that we need to clarify and indeed to codify the Committee's relationship to resource issues as a first step toward elevating our sights with respect to the other kinds of issues mentioned, and that we cannot do this without addressing the entire resource allocation system, including specifically the role of this Office.

6. Today's regulations are replete with references to the Executive Director-Comptroller and his authorities, and in particular to his authority over resources. To further confuse available published guidance, the still valid Program Execution Procedure (PEP) of 25 September 1972 has never been incorporated into regulation. There is much uncertainty about which procedures apply and about what is expected with regard to notification of the DCI on reprogramming and on imminent action items. Clearing up the ambiguity this situation creates will permit employees to look to appropriate properly designated authorities for day-to-day decisions regarding resources. Beyond the elimination of some confusion, by making alternative sources of authority more apparent and accessible, we will help to screen out some items of business which now come to the Management Committee only because its role is not well understood.

7. More important than this confusion and at the core of our present effort to introduce codification along with clarification is our concern that the Agency's present procedures would not stand critical scrutiny and examination by either OMB or Congress. There is in too many cases no clear trail of decisions or documentation supporting decisions. Thus, we believe there is a question about whether the Director can adequately protect the legitimate interests of the Agency.

8. The revisions we have in mind fall in three general areas: those dealing with needed restatement of the Agency's Financial Approvals System; those relating to the Office of the Comptroller; and those concerned with the Management Committee itself. The most basic issues are raised by our proposed revision of the Financial Approvals System, where we suggest modification of present arrangements for reprogramming.

Changes In the Agency's Financial Approvals System

9. The existing Agency regulation, HR dates back to 1964 and explains a budget cycle and process now substantially changed. It does not, for example, incorporate the procedures set forth in the PEP. Thus, the first need we see is the up-dating of these regulations. Our revision (Attachment 1) explains in simplified fashion the Agency's

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resource review cycle beginning with the Program Call and extending through the various reviews by the Directorates, DCI, OMB, and the Congress. We have emphasized that aspect of the process of greatest concern to managers, that is the development of Operating Plans and the way these plans relate to program execution.

10. In addition to modernizing changes, we have incorporated substantial portions of the PEP. We urge modification of the PEP in one important respect, to reflect the experience we have had over the last two years in identifying surplus funds and making recommendations for their reallocation. We strongly suggest that the reprogramming authority currently granted to Deputy Directors by the PEP be given instead to the Comptroller, excluding, however, reprogramming within any given allotment. We support the basic thrust of the PEP in giving authority to the four Deputies to obligate money in accordance with agreed-to operating plans, and we agree that no Agency-wide Comptroller "Reserve" should be reinstituted. As a practical matter, however, the delegation of reprogramming authority to the four Deputies has not been "real." Both we and they have been forced into procedures which effectively acknowledge that the Directorates are not free to reprogram major amounts at will, but must instead consult the DCI.

11. Our recommendation then is that the major reprogramming authority now vested by the PEP in the four Deputies be given instead to the Comptroller. We considered the possibility that this authority should instead be explicitly identified as the DCI's and that all paper work related to these questions, etc., would be sent to him, to be forwarded to us for staff advice. For two basic reasons, however, we believe that this approach is unwise. First, this means that legally the DCI should sign every minor reprogramming action needed within the Agency. We think that this is a waste of time, and in fact, constitutes a major reason why the position of Secretary of the Management Committee was created. Secondly, we believe that the language in the regulations attached makes it clear that the Comptroller will only exercise this authority after consulting with the Management Committee and the DCI as required and that this is adequate protection against the arbitrary exercise of these authorities. The approach we suggest will have the effect of freeing the DCI from the need to address very

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minor technical resource problems, will facilitate establishment of a record of decisions made by an authorized Agency official, and will ensure that significant questions will be considered by the Management Committee and the Director. Thus, we believe a better formulation of the general philosophy expressed in the PEP, which would be more consistent with the Director's real responsibilities, would emphasize that the Deputies have full authority to obligate money in accordance with agreed-to operating plans, but that major reprogramming must in all cases be reviewed by the DCI to ensure that Agency-wide requirements are given adequate consideration.

Office of the Comptroller Revisions

12. Attachment 2 is a draft regulation clarifying the mission and functions of the Office of the Comptroller. Partially based on the regulation which described the old Office of Planning, Programming, and Budgeting, it is a straightforward and factual statement of what we do. However, it is sufficiently broad in its general language so as to enable us to evolve in a number of different areas without difficulty. It emphasizes the staff relationship of the Office to the Director and to the Management Committee, and it includes references to MBO and performance evaluation, and it alludes to our responsibility for annual reports. It intentionally avoids repeating details more appropriately covered in the regulation on financial approvals.

The Management Committee

13. Finally, the process of revising HR further underscored the need for a regulation spelling out the functions of the Management Committee. Attachment 3 is a draft regulation which would supplant the one on the Executive Director-Comptroller. It emphasizes the Committee's membership and range of interests, and tries to indicate how it will function and what authorities it will have, especially when the DCI is absent from a meeting. Wide latitude is provided for continual evolution of its role and mission. The regulation closes with a paragraph, somewhat unrelated but logically included, we believe, effectively making the Secretary of the Management Committee the Agency's Third-in-Command.

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14. We recommend that as the next step in shaping the future of the Management Committee we submit these regulations, amended as you think necessary, first to the General Counsel and then to the Committee for review. The normal time delays which attend formal coordination of regulations should be largely eliminated if the Committee members concur in a draft, and we should be able to get an agreed revision published before the new fiscal year begins. Further development of the Management Committee and of this Office as the Committee's supporting mechanism can then take place during Fiscal Year 1975 within an agreed framework for on-going relationships and authorities.

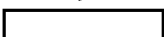


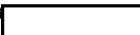
JOHN D. IAMS
Comptroller

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Attachments:
as stated

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Executive Registry
73-2537

21 May 1973

MEMORANDUM FOR THE RECORD

SUBJECT: CIA Management Committee Meeting on 16 May 1973

1. The Committee met on 16 May, and in attendance were:

Chairman
Vice Chairman
Executive Secretary
Mr. Proctor
Mr. Nelson
Mr. Duckett
Mr. Brownman
Mr. Lehman (for Item 2. c. only)

2. The following topics were discussed, and decisions reached are as recorded below:

- a. Former Executive Director-Comptroller Functions to be Assumed (MCA-32)

- (1) The Director explained his disappointment with the quality of staff work during the past two weeks and went on to observe that it might be a good idea to have an Executive Officer at the EP-5 level in the interim period between his probable departure for DOD Secretary and Mr. Colby's assumption of DCI. A brief discussion followed on different ways to anticipate problems and foment the necessary staff work. Mr. Colby noted that he would be circulating a paper on the proposed establishment of an Executive Secretariat that would have the effect of relieving the Director's and Deputy Director's offices of some administrative chores. After this is reviewed, support to the Director will be reconsidered.

- (2) Those tasks which are to be performed by the DDM&S were reviewed. Approval of unofficial, public appearances and publications by Agency employees is to be delegated to Deputy

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Directors; equal employment opportunity policy will become a function of the Inspector General. Otherwise, those functions for DDM&S will be as listed in MCA-32. With respect to the responsibilities of the Executive Secretary, CIA Management Committee, all functions listed in MCA-32 will remain his responsibility until a decision is reached on the establishment of an Executive Secretariat (above) that would perform all MCA-32 Executive Secretary functions except those pertaining to the agenda of the Management Committee and excluding acting for DCI and DDCI in the event both are absent.


b. Production of Military Intelligence (MCA-31). Mr. Proctor and Mr. Duckett rendered a status report on work under way to reorganize their respective Directorates in order to improve the production of military intelligence. It is understood that the Study Group under the Chairmanship of [] will finalize their recommendations as soon as possible.

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c. Report of Working Group on Operations Centers, Information Flows, etc. (MCA-11). Lehman briefed in detail on the recommendations summarized in MCA-11. It was decided that (1) we will proceed with Phase I; (2) that establishment of a National Intelligence Center should be an objective; (3) that changes in the DDO reports officer system should be deferred pending a re-examination of the problem by Nelson and Lehman, who are to report on their recommendations in thirty days.

d. Revision of DDO Staff Structure (MCA-36). Mr. Colby highlighted the reorganization which was ratified by Nelson, who is now to review what additional reductions and streamlining can be made in the DDO line elements. The Director indicated that this reorganization falls short of his expectations in terms of reduction of personnel.

e. Overt Collection in the U.S. (MCA-18A). The recommendations of the Study Group were approved. The DDI and DDO will implement.


W. E. Colby
Executive Secretary
CIA Management Committee

Distribution:

1 - Each Member of Committee	1 - D/DCI/IC
1 - EA/DCI	1 - ER
1 - EA/DDCI	1 - MG File

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OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Mr. Harold Brownman, DDM&S		
2			
3			
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: <p>Mr. Colby asked that this be distributed for discussion at a future Management Committee meeting.</p> <p>MCA-32</p>			
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FORM NO. 1-67 237 Use previous editions

(40)

Former Executive Director-Comptroller Functions
to be Assumed

By Executive Secretary of CIA Management Committee:

Management of Office of the Director
Advising components of policy decisions
Acts in absence of DCI and DDCI in exercising his directive
and approval authority
Prepares agenda and action papers for approval of CIA Management
Committee including allocation or reallocation of resources
Head of E Career Service (DCI Offices)

By Deputy Director for Management and Services:

Overall administrative management of Agency
Information processing activities - resource management and
coordination
Establish or close stations or bases - DCI approval
Approval of unofficial public appearances and publications by
Agency employees
Approve nominees to senior officer schools and executive
leadership programs
Approve requests for guest speakers from outside the
Intelligence Community
Claims for all damaged or lost personal property
On-call official administration
Establish, maintain and direct Records Admin Program
Review office Program Submissions for Management Committee
decision
Develop resource allocations - budget, allotment issuances and
manpower ceilings - final approval by CIA Management
Committee
Approval of liquidation plans
Chairman of ExCom Air
Chairman of Comptroller's Meeting

Administration of Program Execution Procedure

Preparing operation plan for DCI approval

Monitoring and evaluation of operating plans

Advises on major reprogramming subject to CIA

Management Committee approval

Approves special projects (ADP etc.)

Issues staff and contract manpower ceilings after DCI approval

Issues fund ceilings and allotments after DCI approval

Approval of upper grade, SPS and Supergrade ceilings and management thereof

Control of average grade by component

Preparation of the Budget to OMB and Congress

Honor and Merit Awards Board appointments

Suggestion and Invention Awards responsibility

Public Service Awards responsibility

Equal Employment Policy responsibility

PCF

O/PPB/BMS

20 April 1973

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 DD FORM 100-1
 File 0 & M CSX 73-4402

5 November 1973

MEMORANDUM FOR: See Distribution

SUBJECT : Agency Organization

1. The following memorandum will outline my views of some of the roles and missions and basic organizational relationships of the various elements of our Headquarters. It is obviously a generalized presentation, and there will be a number of gaps and overlaps on minor aspects. These cannot be overcome by careful delineation, but they can be overcome by active collaboration by all levels of management. Full realization at all levels that we are all working for the nation should heighten this sense of collaboration. No single element of the Agency or the intelligence community has interests independent of the need to work together to get the best possible job done.

2. Director. As I have indicated previously, I believe the Director has only one hat. He obviously must divide his time in response to his various responsibilities. My concept of the role is to assign overall objectives to subordinate elements and then give to their leaders the authority and resources to take the steps necessary to accomplish these objectives without seeking approval on details from me (except in instances involving substantial political or operational risk which I should knowingly assume). The necessary corollary of this concept is a requirement for detailed post-audit of results. I will endeavor to develop the expression of objectives in clear form and systematic post-audit evaluation procedures to carry out this approach. Various staffs will assist in these regards, but their actions will be advisory to me, and I will maintain the integrity and privacy of the command line between the Director and the Deputies.

One other point. The Director's primary responsibility is in my view in the substantive field of intelligence support to the President and other proper authorities. Thus, my first responsibility is to ensure my own competence in the substantive field where required through briefings,

- 2 -

study, etc., and also to ensure the best possible intelligence production from the Community and the Agency. At the same time, I see the substantive approach to be the most useful way of attacking my management responsibilities. Through the assignment of substantive objectives and the evaluation of performance against those objectives, we can best determine the basis for an optimum allocation of resources among the various components of the intelligence community.

3. The Deputy Director. The Deputy Director is the alter ego of the Director in every respect (except the legal limitation of termination authority to the DCI alone). He will be kept fully informed of any matter raised with the Director, and his authority to speak is the same as the Director's. He will obviously focus more on certain activities than others, as will I, but he must be in a position to replace me in every respect at any time.

4. Management Committee. The Management Committee will consist of the DCI, DDCI, the Secretary (Mr. Duckett, also as DDS&T), the DDI, DDM&S, DDO, General Counsel, Inspector General and Comptroller. The Committee will meet periodically to consult with the Director on matters dealing with the Agency, as placed on the agenda by the Secretary and circulated to members before meetings.

5. The General Counsel will be the legal adviser to the Director and be consulted on all legal or potential legal problems.

6. The Inspector General will report to the Director on matters requiring his attention stemming from complaint or his independent investigation. He may make investigations as requested by any Deputy Director or senior officer or as may be self-initiated where a need is seen. He will provide administrative supervision to the Audit Staff, but its reports will be submitted without modification to the Director.

7. The Comptroller will be responsible to the Director on the Agency program and resource utilization. The Office of Planning, Programming and Budgeting is redesignated the Office of the Comptroller and will be responsible for the preparation of the annual program and continuing performance evaluation, including monthly Comptroller reports

- 3 -

to the Management Committee, and review and consolidation of component Annual Reports. A detailed Notice will be issued defining the functions of this Office.

8. Intelligence Community Staff. The Intelligence Community Staff will report to the Director and have staff responsibility for intelligence community matters. These will include the Director's responsibilities to PFIAB, as Chairman of IRAC, USIB, ExCom, and as Deputy Chairman of NSCIC. In particular, the Intelligence Community Staff will develop objectives for Community components and organize studies and evaluations of Community performance. To the maximum degree possible, the Intelligence Community Staff will generate component participation in its work and consult with the National Intelligence Officers for substantive input.

9. National Intelligence Officers. The function of these Officers and of the Deputy to the DCI for NIO's has been outlined in the basic memorandum establishing these Officers. They will operate as staff officers for the Director and, through command channels, stimulate collaboration of all elements of the Community on substantive problems. They will also assist in customer relations, consultant assistance, definition of objectives, evaluation of performance and resource allocation and management decisions. In particular, they will assist in the substantive production of the Directorates and in developing objectives and performance evaluation systems by the D/DCI/IC for the Community and the Comptroller for the Agency.

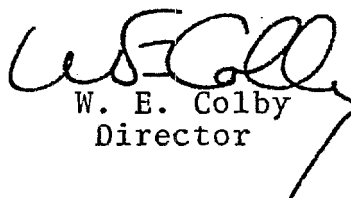
10. The DDM&S provides resources (financial and personnel) to Agency operating components for the implementation of the programs established by the Director and the appropriate Deputy Directors. He has the authority and responsibility for the direction of the activities of the components in the Management and Services Directorate and for the allocation of their resources to meet the requirements of the Agency. The Office Directors in the DDM&S have a staff responsibility to the Director for their particular fields as well as their direct operating responsibilities. Each of them performs management and services functions for the entire Agency. Each furnishes resources and has the obligation to provide policy guidance and assistance in the management of those resources on behalf of the Director to the managers who have the responsibility for their use. The responsibilities of these Offices to the Director are fulfilled under the authority of the DDM&S.

- 4 -

11. The Legislative Counsel is the Director's principal adviser on responsibilities to the Congress. He will coordinate all Agency Congressional contacts and will levy on Agency elements requirements for response to Congress.

12. The Assistant to the Director is responsible for coordinating Agency contacts with the news media and is the Director's principal adviser on the Agency's relationships with the news media. The Agency does not have a public relations office or function but must, in view of the delicacy of intelligence activities, have such a central point of coordination.

13. Executive Secretariat. This office's functions are as described in the Notice establishing the office. It is an office of service to the DCI and DDCI and the various offices reporting directly to the DCI, e.g., the General Counsel, Legislative Counsel, IC Staff, NIO's, Comptroller, and IG.


W. E. Colby
Director

Distribution:

DDCI
DDS&T
DDI
DDM&S
DDO
D/DCI/IC
D/DCI/NIO
General Counsel
Inspector General
Legislative Counsel
Comptroller
Assistant to the Director
Executive Secretary

DD/M&S Distribution:

1 ea. - D/CO, D/L, D/F, D/JCS, D/MS, D/P, D/PPB, D/S, D/TR,
C/RCS, C/ISAS, C/HS
1 cy routed to staff
1 - DD/M&S Subj.

Revision

11. Executive Secretariat. This office's functions are as described in the Notice establishing the office. It is an office of service to the DCI and DDCI and the various offices reporting directly to the DCI, e.g., the General Counsel, Legislative Counsel, IC Staff, NIO's, Comptroller, and IG.


W. E. Colby
Director

Distribution:

DDCI
DDS&T
DDI
DDM&S
DDO
D/DCI/IC
D/DCI/NIO
General Counsel
Inspector General
Legislative Counsel
Comptroller
Executive Secretary

DD/M&S Distribution:

1 ea. - D/CO, D/L, D/F, D/JCS, D/MS, D/P, D/PPB, D/S, D/TR, C/RCS, C/ISAS, C/HS
1 cy routed to staff
1 - DD/M&S Subj

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11 December 1974

MEMORANDUM FOR: Mr. Blake

SUBJECT : Background Information Re the Management Committee

1. I have attempted to avoid the direct use of some very worthwhile material generated in May 1974 by the Office of the Comptroller - specifically studies by [redacted]

[redacted] It is believed that our report would serve to complement the Comptroller's report, which goes into detail on regulatory changes and the Agency's financial approval system. I would suggest it be discussed with Jack Iams at the appropriate time, before we go final.

2. An attempt had been made to evaluate all agenda items, and a format was initially adopted to rate all issues, but I decided to drop that approach because so many things were borderline or questionable. Opted for a listing of the strongest and weakest agenda items, and we may wish to refine the final list before it goes out. There is room for discussion on this.

3. In the first rough cut, the report is quite critical of the Management Committee machinery, and it has been a matter of letting the chips fall where they may. You may want to soften the language or explain it in a covering note, so that we do not get into hot water with the DCI, the DD/S&T, the Inspector General and others.

4. On the overall issue of "Policy Creation" and "Coordination by Committee", there are the following quotes from Alfred P. Sloan's My Years with General Motors:

A. I have never believed that a group as such could manage anything. A group can make policy, but only individuals can administer policy.

B. The Executive Committee should confine itself more particularly to principles which should be presented to it by the operating organization properly developed and thoughtfully carried out rather than to constitute itself as it is now, a group management.

C. In general the activity of the Executive Committee should be guided along the lines of establishing policies and laying the same down in such clear cut and comprehensive terms as to supply the basis of authorized executive action.

D. The Executive Committee should treat with the question from the standpoint of policy.

E. The Committee would not, as to principle, deal with the specific problem of an individual Operation. Each function of that Operation would be under the absolute control of the General Manager of that Division.

F. We should, I believe, confine our discussions in these meetings to problems of common interest affecting all Divisions. Realizing that all of you men are extremely busy, we will try to keep away from details - dealing only with the basic problems.

G. In my judgment, the greatest weakness in the procedure and policy of the General Motors Corporation is the tendency of the Operations Committee to originate and discuss detailed problems of the Divisions, instead of insisting that the Divisions initiate their respective policies and problems and refer their solution to the Operations Committee for check and approval.

H. I think notwithstanding that we have the reputation of a fact-finding organization, that we do not get the facts, even now, as completely as we should. We sit around and discuss things without the facts. I think we should break ourselves of that and not permit any member of the Committee to have an important problem determined upon without all members of the Committee having the facts before him.

I. A carefully designed policy should be enunciated that will convey to each Division a complete understanding of the general quality of product.



LJD

Att:

CIA Mgmt. Comm. Draft

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CIA MANAGEMENT COMMITTEE

- I. BACKGROUND
- II. BASIC CHARTER
- III. EXECUTIVE DIRECTOR-COMPTROLLER FUNCTIONS
- IV. MANAGEMENT COMMITTEE MINUTES
- V. MCA NUMERICAL SYSTEM
- VI. MARGINAL AGENDA ITEMS
- VII. STRONG AGENDA ITEMS
- VIII. ANALYSIS SPONSORSHIP/IMPACT
- IX. RECOMMENDATIONS

I. BACKGROUND

- A. The CIA Management Committee was established by a Headquarters Notice effective 15 February 1973, and there has since been some degree of criticism as to the effectiveness of this management body. Most certainly, there has been a considerable degree of confusion at all levels as to how the machinery operates and to when one should refer an issue to the Management Committee. This is occurring at a time when top management has been making strenuous efforts to open up lines of communication. One element holds that the Management Committee has considered rather unimportant short-range items with no particular policy overtones. Another element maintains that the procedures are not clearly established, well organized, or consistent.
- B. It is realized that any review of the Management Committee operation covering the last eighteen months has to be somewhat subjective, particularly in rating the relative importance of specific items. What is crucial to one component may be of no particular concern to another unit. In this broad overview, on the basis of reports readily available in one Directorate, an honest effort is made to fairly evaluate the system as it has functioned in the past, so that there may be a more efficient and productive operation in the future.

II. BASIC CHARTER

A. Attached as TAB A is a copy of Headquarters Notice

dated 14 February 1973, which established the CIA Management Committee. There are a number of observations to be made about this basic document:

1. First, the Notice expired on 15 February 1974, and has never been renewed or otherwise put into Headquarters regulations.
2. The Management Committee is charged with reviewing and recommending to the Director "matters dealing with organizational issues and intelligence resource policy. Examples of such matters are cited, but it is not referred to as an approving body.
3. The Office of the Executive Director-Comptroller was suspended and its functions were assumed by the Executive Secretary of the Management Committee.
4. The four Deputy Directors are mentioned as "members" of the Management Committee, but from the beginning there has been regular attendance by other Agency representatives, whose role is not defined.

B. CIA Management Committee Procedures (MCA-2) approved by the Director at the meeting of 28 February 1973, indicates that: "The purpose of inclusion of a topic is not formal approval by the Director of completed actions, but to inform the membership and obtain general counsel and discussion on major policy problems."

- C. The minutes of the Management Committee meeting of 28 February 1973, indicates that the procedures were approved "with the understanding that they are subject to adjustment with experience." DD/A records reflect an informal memorandum of 1 March 1973, prepared by the Deputy Director for Support, who stated that "coordination is the purpose of this organization change."
- D. The DCI memorandum of 5 November 1973 on "Agency Organization" indicates that "The Management Committee will consist of the DCI, DDCI, the Secretary (Mr. Duckett, also as DD/S&T), the DD/I, DD/M&S, DD/O, General Counsel, Inspector General and the Comptroller. The Committee will meet periodically to consult with the Director on matters dealing with the Agency, as placed on the agenda by the Secretary and circulated to members before meetings."
- E. A memorandum of 14 November 1973, by the Secretary of the Management Committee contains the following extract on an unlisted topic: "The Chairman highlighted his expectations for the Management Committee as a vehicle to relieve him of various chores and noted his attendant delegation of authority to the Secretary." (See DCI memorandum of 5 November 1973 on Agency Organization).
- F. In the same memorandum of 14 November 1973, the Secretary "explained that the Comptroller is a staff advisor to the Secretary and the Chairman on resource related items

forwarded for the Committee's review. He noted the Executive Secretary/CIA's role in consulting the Secretary with respect to development of agendas and whether or not a problem or action is to go before the Management Committee or be handled in the normal line and staff channels."

- G. In a memorandum of 12 November 1973, to members of the CIA Management Committee on "Pending Actions", the Secretary listed ten items which he planned to approve, and he provided comments on five other items. There is the following extract: "Per my remarks at the 9 November Morning Meeting, the Chairman has authorized the under-signed to approve items pending before the Committee."
- H. The minutes of the Management Committee, dated 12 February 1974, points out that the Chairman endorsed the occasional attendance of Associate Deputies at future meetings of the Committee.
- I. The minutes of the Management Committee, dated 26 March 1974, indicated that the Secretary "concurred in the recommendation" that the agendas for Management Committee meetings be distributed at least five full working days prior to meetings.
- J. In following Management Committee matters through 1973-74, the following comments appear to be applicable:

1. The procedures were to be adjusted "with experience", but the changes have not taken place in a particularly orderly manner. Considerable research on the rules is required.
 2. The role of the Management Committee has certainly changed in the last eighteen months - from "major policy problems".
 3. The role of the Comptroller has evolved and changed, but this is not appropriately reflected in Agency regulations.
 4. Most certainly the authority and responsibility of the Secretary was changed dramatically in November 1973, but this is not appropriately covered in the regulations.
 5. The minutes encourage the occasional attendance of Associate Deputies, but the record remains silent concerning the presence and participation^{by}/other senior officials.
- K. It is submitted that the original Management Committee charter of 14 February 1973, is badly out of date; it does not cover the true role of the organization; and a new, complete, current and accurate regulatory issuance is very much required.

NOTE: (I am checking on a document which lists the General Counsel, Legislative Counsel, Inspector General and Comptroller as members.)

III. EXECUTIVE DIRECTOR-COMPTROLLER FUNCTIONS

- A. Attached as TAB C are copies of various Agency regulations which refer to the role of the Executive Director-Comptroller, which was "suspended" by the same Agency Notice which established the Management Committee. Although it was never stated or implied that the Management Committee actually replaced the Executive Director-Comptroller, the overall situation has never been clarified, and some of the functions have been assumed by the Management Committee.
- B. It is particularly noteworthy that the issue was addressed to a limited extent by the Management Committee under MCA-32, "Former Executive Director-Comptroller Functions to be Assumed". It also serves to emphasize a weakness in the Management Committee machinery in that the issue remains unresolved, and it is still unclear exactly which authorities were transferred to the Management Committee or other elements of the Agency. Most certainly, a review of the minutes of the Management Committee, dated 21 May 1973, does not clarify the situation.
- C. It is submitted that the Executive Director-Comptroller issue is a "major policy problem" which should have been worked on by the Management Committee to the point of decision. This is a central change in the Agency's management process, and the lack of action in this important

area stands out when it is noted that the same senior body has at times attacked relatively insignificant problems with a minor impact on a small segment of the Agency. It is important to the managers in the Agency, and it is also important to younger Agency officers who are seeking improved communications and a better understanding of the management process.

IV. MANAGEMENT COMMITTEE MINUTES

- A. The original memorandum of 26 February 1973, on CIA Management Committee Procedures (MCA-2) indicates in paragraph 3 that "Except for recording decisions reached, no minutes will be made of Committee meetings. The Executive Secretary will be responsible for assuring the Chairman that decisions reached are implemented and will provide periodic progress reports to him."
- B. In line with the above approach, the minutes of some meetings are so concise that they lack clarity and/or appropriate details. This occurs on a number of occasions when it is indicated that the issue was "discussed at length" or there was a "lengthy discussion", but no details. The following are cited as examples of minutes which might be a little too succinct:
1. MCA-44, Organization for Production. "The proposals of Mr. Colby and Mr. Proctor were discussed at considerable length, and it was decided to postpone any final decisions on this topic."
 2. MCA-42, [] 21 May 1973 memorandum. "Discussion and action postponed."
 3. MCA-45, ARPA Intelligence Analysis R&D Program. "Discussion and action postponed".
 4. MCA-92, New Procedures for Evaluating Research Proposals. After some discussion, the Secretary

asked that the Comptroller look at existing review and approval procedures for research projects.

- C. Reference has already been made to MCA-32 relative to Executive Director-Comptroller functions, with no clear report on what responsibilities were transferred. The minutes of 25 February 1974, concerning the Returnee Interview Program of CY 1973 (MCA-82), also lack specificity. Possibly the problem is highlighted most strongly by the General Counsel in his memorandum of 24 June 1974, on Limitations on Outside Activities (MCA-93), when it is pointed out that there was some confusion as to what the Management Committee decided the previous week.
 - D. As yet another related facet of this, is that really important, significant, and worthwhile policy data is sometimes reported in a rather innocuous manner, with no appropriate heading or MCA number. It has been pointed out that the minutes of 14 November 1973 reflect new guidelines on the role of the Management Committee, but the data is buried in the report, and refer to his "remarks" at a morning meeting of 9 November 1973, which are not readily available.
 - E. With respect to the need for detailed minutes, it is understood that the Chairman no longer attends all or most of the meetings of the Management Committee, even
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though it has been categorized as his consultative body. It may be a disservice to the Chairman and the members not to provide the rationale, arguments, and views of members, particularly on key issues ^{WHERE} ~~whether~~ there is divided or a strong "minority" opinion. To cite a recent specific example, the minutes reflect that there was considerable opposition to the Program Audit (MCA-95) by Messrs. Nelson, Brownman Walsh and Iams, but very few details on their position other than the statement that present Agency management processes provided the tools necessary for evaluating program effectiveness. Most certainly, the Chairman can and should decide the issue as he thinks proper, but it is submitted that evidence from all sides should be considered.

- F. It is not being suggested that the Management Committee should adopt procedures which are as structured and formalized as those utilized by the United States Intelligence Board (USIB). As a standard practice, however, the USIB minutes appear to be complete, accurate, and clear. Now that the Management Committee has been in operation for over eighteen months, and it was originally recognized that we would make adjustments based on experience, there might be some solid advantages in adopting a USIB-type approach on keeping minutes.

V. MCA NUMERICAL SYSTEM

- A. It would appear that there is some weakness and considerable inconsistency in the approach used to assign MCA numbers to agenda items. At first blush, this procedural problem may not seem to be particularly important, but it has and does lead to some confusion when one attempts to staff out a problem with not much lead time. In many instances, there is no obvious connecting link between files.
- B. The following are cited as examples of the problem:
1. MCA-1, "Intelligence Support to NSC", leads directly to MCA-44/A and MCA-44/B on the "National Intelligence Office".
 2. MCA-5, "CIA Management System", leads to MCA-88/A, "CIA Management Processes".
 3. MCA-20, "Review of Training", as well as MCA-20/A, MCA-20/2, and MCA 20/3 lead to MCA-87, "Annual Report, Component Conducted Training, FY 1973". There is also MCA-76, "Annual Report of Language Development Committee for FY 1973".
 4. MCA-24, "Career Service Management", as well as MCA-24/A, MCA-24/B, MCA-24/C and MCA-24/D lead to MCA-30, "Annual Personnel Plan".
 5. MCA-25, "Agency Image", leads to MCA-39, "Agency Image - 100 Universities Program" to MCA-67, "Recruiter Views", which is essentially a report

on the Agency's image. This leads later to MCA-71, "Modified 100 Universities Program".

6. MCA-34, "Research and Development in CIA", leads to MCA-92, "New Procedures for Evaluating Research Proposals".

7. MCA-42, "Areas for Discussion" STAT
21 May 1973 Memorandum) leads to MCA-46, "Studies of Intelligence Crisis Support" to MCA-100, "Internal Organization for Crisis Management". STAT

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confusion as to what had been recommended to and approved by the Management Committee.

9. MCA-74, "Impact of Proposed FY 1974 Personnel Cuts Assigned to the DD/M&S", leads directly to MCA-91, "ADD Group Review of 1975 Staff Personnel Ceiling".
 10. MCA-93, "Limitation on Outside Activities", is essentially the same as MCA-106, "Coordination and Review of Manuscripts Submitted for Publication by Former Employees".
- C. It would also appear that there is some lack of orderliness in the failure to assign or identify the MCA number under certain circumstances. The "Payment of Administrative Costs of the Voluntary Investment Plan" is recorded under, but appears to have no solid connection with MCA-91, "ADD

D. MCA-6 is a listing of "Planned Management Committee Agenda Items", essentially a working document which does not merit the assignment of a number. MCA-42 on "Areas for Discussion" does not shed too much light on the proposals made by Mr. Aspects of the COINS issue have come up for discussion at various times, most recently on 2 December 1974, but the deliberations of the Management Committee were not associated with MCA-15, "COINS".

STAT

VI. MARGINAL AGENDA ITEMS

A. In a post mortem review of earlier agenda items, it is felt that the following issues did not have significant policy overtones which cut across Directorate lines to any appreciable degree and/or otherwise merited the attention of the Management Committee:

1.



STAT

reflect that it was approved without comment or discussion.

2. MCA-17, Intelligence Production, March-April 1973

The basic issue was important, and there may have been policy overtones; it would appear, however, that the primary impact was on the DD/I, and there was little or no substantive discussion by other members of the Management Committee. Questionable.

3. MCA-19, Monthly Reconnaissance Schedule

The basic issue was important, and action was assigned to the DD/I and DD/S&T. This did appear to be a short-range issue. At least questionable.

4. MCA-21, New Format of Memoranda for Approval of the DCI, DDCI and Executive Secretary, Management Committee

The new format had already been approved in principle by the DCI, the minutes reflect no discussion, and there certainly were no policy overtones. The simplified format is fine, but there was no need for Management Committee consideration.

5. MCA-22, Classified Bulletin Boards

This item did in fact impact on the entire Agency, but a question is raised as to whether it warranted the attention of senior management for detailed input.

6. MCA-26, Grievance Procedures

In response to the comments of the Junior Officers Study Group, the Inspector General prepared an Agency notice explaining its role in the handling of grievances. There was related input from the Offices of Personnel and Training, but DD/A records reflect no details on substantive discussions by the Management Committee. Minor issue.

7. MCA-27, Biographic Material

The DD/O and the DD/I were directed to establish a joint working group to examine requirements and procedures with respect to biographic material. This was a worthwhile issue, and a good report was approved, but there did not appear to be any

substantive discussion by the Management Committee. It is believed that direct action would have achieved the results.

8. MCA-36, Revision of DD/O Staff Structure

There would appear to be little question that this was an important issue, but it was basically a DD/O item of concern to the DCI, with little or no input from other members of the Management Committee. It was not part of an overall Agency restructuring, streamlining, or personnel reduction program.

9. MCA-37, Review of Consultants and Rehired Annuitants

This issue was of interest to all four Directorates, and it was made clear that the Agency should not maintain a stable of advisors unless there is a need for their expertise. There did not appear to be any substantive discussion by Management Committee members, and a mechanism did exist to check on this program on a yearly basis. Minor issue.

10. MCA-58, Management Committee Item - Definition of Vital Records

There was a request for a restatement or reaffirmation of Agency policy toward Vital Records, and it was recommended that a notice be issued on the topic.

This was approved and there is no indication that the issue was discussed. It would appear that direct action outside the Management Committee would have been appropriate.

11. MCA-67, Recruiter Views

This is an informative three-page report on the Agency's image following Watergate. Our records fail to reflect that there was any substantive discussion or action taken on this item.

12. MCA-80, Agency Parking Permit Policy

This issue certainly impacts on all elements of the Agency, but hardly warranted the attention of senior managers. Directorate representatives subsequently formed a Parking Committee to handle this matter at the appropriate level.

13. MCA-92, New Procedures for Evaluating Research Proposals

This was an Agency MAG proposal which touched on an issue which was primarily of concern to the DD/S&T. The net result was that the Comptroller was asked to look at existing review and approval procedures. As presented, the topic hardly warranted the time and attention of the Management Committee.

14. MCA-93, Limitation on Outside Activities

This related to procedures for clearance of articles for publication, or speeches by former employees.

The issue is important, and it does impact on all elements of the Agency, but it would appear that the item was prematurely presented as an agenda item. Subsequent Management Committee action was taken five months later under MCA-106.

15. MCA-94, Establishing Priorities for Computer Service Requests

This item was referred to the Management Committee by the Audit Staff, following an audit by the Office of Joint Computer Support. This problem was being worked within OJCS, and referral to the Management Committee was extremely premature.

16. MCA-103, Bicentennial Participation

This issue is of minor concern to the Agency and should not have been referred to the Management Committee. The item could have been addressed at the working level.

VII. STRONG AGENDA ITEMS

A. In a review of earlier agenda items, it is felt that the following issues did in fact have significant policy overtones and merited the attention of the Management Committee:

1. MCA-1, Intelligence Support to the National Security Council; MCA-44, Support to the DCI on National Intelligence; MCA-44/A, National Intelligence Office

This item appears to be of fundamental importance to the Agency, but the minutes of 24 April 1973, provide little insight as to the "lengthy discussion" of the pros and cons. There was a further review of the concept in June and July 1973.

2. MCA-5, CIA MANAGEMENT System; MCA-88, The Agency's Management System; MCA/88-A, CIA Management Processes

Again, this issue appears to be of fundamental importance to the Agency, and there is a very useful insight as to the Director's views on management by objective. The minutes of 3 April 1974 provide pretty solid policy guidelines.

3. MCA-14, Consolidation of Selected ADP Operations

This related to the approval to centralize computer systems, and the transfer of the Office of Joint Computer Support to the DD/A. There was an important policy decision which impacts on most major elements

4. MCA-20; Review of Training; MCA-87, Annual Report, Component Conducted Training, FY 1973

Training has a significant impact on all elements of the Agency, and the rather detailed minutes of 24 April 1973, and 22 April 1974 reflect very useful policy input from the highest level.

5. MCA-24, Career Service Management; MCA-24/A, New Approaches to Personnel Management

This deals with the improvement of personnel management in the Agency, and a complete overhaul of the system, following the establishment of an inter-Directorate personnel study group. It is submitted that this issue is probably one of the best examples of the type problem which should be addressed by the Management Committee. There continues to be important follow-through action, also including MCA-30, Annual Personnel Plan.

6. MCA-32, Former Executive Director-Comptroller Functions to be Assumed

This issue is of fundamental importance, but it has not yet been adequately addressed by the Management Committee. There has been a significant lack of follow-through.

7. MCA-34, Research and Development in the CIA

It is believed that the basic issue is important from a policy standpoint, and there is a significant impact on all major elements of the Agency. As with MCA-20, the minutes of 13 June 1973, are more detailed than usual, and there is some clear presentation as to the views of some senior officials. This was a useful review of 'research' which compares favorably to the much lighter study in MCA-92.

STAT

8. MCA-40, National Intelligence Survey Program

This related to the DD/I proposal that the DCI present before USIB an Agency recommendation to abolish the NIS program. Although the issue was of primary concern to the DD/I, it impacted on other elements of the Agency and the intelligence community in terms of manpower and financial resources. Although the issue might have been handled through direct command channels, it seems more appropriate as a Management Committee item.

[REDACTED]

felt that there are important policy, cover, and security overtones which certainly warranted Management Committee attention.

10. MCA-52, FY 74-75 Program Review

There were major Agency decisions concerning our personnel strength, and our financial resources. This was of considerable importance from an overall Agency standpoint.

11. MCA-91, ADD Group Review of 1975 Staff Personnel Ceiling

MCA-74, "Impact of Proposed FY 1975 Personnel Cuts Assigned to the DD/M&S" covered in considerable detail the impact on the Agency of proposed cuts within one Directorate. This led to the establishment of a committee composed of the four Associate Deputy Directors, the Director of Personnel and chaired by the Comptroller. The committee conducted a rather exhaustive review of personnel resources within the Agency, submitted a final report on 1 May 1974, and this was approved by the Management Committee on 9 May 1974. It is submitted that this is an excellent example of detailed staff work being

conducted at an appropriately senior level, with ratification by the Management Committee.

12. MCA-89, CIA Retirement and Disability System (Inspector General); MCA-89/A, General Counsel's Overview of Agency Early Retirement Policy; MCA-89/B, Review of Agency Retirement Policy (Office of Personnel); MCA-89/C, Agency Retirement Policy (Office of Personnel)

Although this issue appears to have been presented to the Management Committee somewhat prematurely, without the appropriate staff work by components having primary cognizance, there is little question that it is an important policy issue which touches the roots of the Agency. It most certainly merited the attention of the Management Committee on policy grounds.

13. MCA-99, Agency Personnel Ceiling

On 5 July 1974, the Comptroller submitted a rather detailed report on the new single ceiling concept, and the controls being imposed by the Office of Management and Budget (OMB). The matter was considered by the Management Committee on 11 July 1974, and action was initiated by the Office of Personnel and the Comptroller to work out an Agency solution, with appropriate input from all Directorates. As with

MCA-91, the issue is extremely important to all elements of the Agency.

14. MCA-108, CIARDS Financial Situation

A working committee conducted a review of the CIARDS financial situation and determined that by 1982, there may be insufficient funds in the CIA Retirement Fund for the payment of annuities.

Various options were presented to the Management Committee on 6 November 1974, and a decision was made on 20 November 1974. It is to be noted that the basic document was generated by one Directorate, but it reflects the concurrences of the General Counsel, the Legislative Counsel, and the Comptroller before it was referred to the Management Committee. It is obviously an important issue.

VIII. ANALYSIS SPONSORSHIP/IMPACT

- A. It is rather difficult to develop a meaningful and accurate analysis as to the sponsorship and impact of the many issues which have been addressed by the Management Committee in the last eighteen months. There would appear to be some reasonable evidence, however, to support the following conclusions:
1. Through most of 1973, the Executive Secretary either sponsored or otherwise generated most of the agenda items that were considered by the Management Committee. The catalytic effect is quite obvious--priming the pump.
 2. At the Directorate level, most of the items were initiated by the DD/A, followed by the DD/I, and the DD/O. There were very few items sponsored by the Science and Technology Directorate.
 3. It would appear that the Management Committee was sometimes used as a sounding board for issues which had little impact on the membership. This may have been intended as a useful spin-off effect.
 4. The Management Committee was perhaps used as an information exchange mechanism for some issues, which could otherwise have been resolved through direct action.

5. In some instances the problem might have appropriately been worked at a lower level, without the need to refer the matter to the top managers.
6. Early on, before the "five working day rule" was established, it was sometimes difficult to adequately study the problem before it was considered as a formal agenda item. Where an item has a major impact on one Directorate, that unit should have the opportunity to conduct a proper analysis.
7. It appears that the Management Committee operates at its best when there is basic strong staff work, and appropriate coordination at the working level.
8. There are some indications that the Management Committee has not always acted with dispatch or decisiveness. There has already been strong reference to the Executive Secretary-Comptroller issue. As a more recent example, the COINS manager issue has been in a confused holding pattern since June 1974, when it was first suggested that a manager should be named.

IX. RECOMMENDATIONS

- A. Revise and update the regulations, spelling out the mission, functions, authorities, procedures, and membership of the Management Committee.
- B. Clarify the role and authorities of the Executive Secretary, both in terms of the Management Committee and the Agency.
- C. Address completely the Executive Director-Comptroller issue. Decide where the functions are to be assigned, and amend the varied regulations accordingly.
- D. As a general rule of thumb, have the Management Committee focus on major policy issues which have a broad impact. Stress quality agenda items, and avoid the less significant.
- E. Avoid the tendency to originate and discuss detailed problems of the individual operating components.
- F. Ensure that agenda items are properly developed and thoughtfully staffed out, so that all of the relevant facts are available, in advance, to all members before policy decisions are made.
- G. Arrange for more detailed reporting of the minutes, setting forth the policy decisions in such clear cut and comprehensive terms as to supply the basis for executive action. A carefully designed policy should be enunciated that will convey to each operating division a complete understanding of the problem.

- H. Where there is reasonable disagreement, and a strong minority opinion, attempt to develop accurate and complete reporting as to the rationale and basis for the dissenting position.
- I. From an efficiency standpoint, take a completely fresh look at the procedural machinery of the Management Committee, with a view towards streamlining and otherwise bringing a little more orderliness to the system.
- J. Remain flexible on the ground rules, and continue to make changes deemed appropriate based on experience. Where there are significant changes, however, ensure that the guidelines are amended in clear concise terms.